



Daily Report

Central Eurasia

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NOTICE: An * indicates material not previously disseminated in electronic form.

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Kuchma, Lukashenka Support Yeltsin on Crisis

LD2206165295 Moscow NTV in Russian
1500 GMT 22 Jun 95

[FBIS Translated Text] President Boris Yeltsin is keeping in close touch with his colleagues from the former USSR republics over the new crisis in Moscow. We received a report 10 minutes ago that Yeltsin has had telephone conversations with Ukraine's President Leonid Kuchma and Belarus' President Alyaksandr Lukashenka. Yeltsin informed them of the political situation in Moscow. For their part, the leaders of Ukraine and Belarus expressed support for the president's actions.

Transcaucasus Troops Reinforce Against Chechens

LD2306163395 Tbilisi SAKINFORM in Russian
0902 GMT 23 Jun 95

[FBIS Translated Text] [No dateline as received] The press center of the Group of Russian Troops in Transcaucasia disseminated a statement on 22 June. The statement informs the state and local authorities and the population of Georgia and Armenia that — in accordance with an order by the Russian defense minister and to prevent assaults by Chechen fighters on the Russian military facilities, servicemen, and members of their families — additional measures are to be taken to protect the population. That is, mines are being laid and an order has been issued to open direct fire, if need be. These measures do not result from any military activities of the Russian troops stationed in Georgia and Armenia. The Group of Russian Troops in Transcaucasia requests that the measures should be assessed objectively and any illicit actions in regard to the Russian troops and military facilities should be avoided.

CIS News Agencies Agree To Work in Concert

LD2306165295 Moscow ITAR-TASS in English
1303 GMT 23 Jun 95

[By Tamara Ivanova]

[FBIS Transcribed Text] MOSCOW, June 23 (ITAR-TASS) — The heads of CIS news agencies have

adopted principles for concerted work in a single informational space during today's meeting at Itar-Tass. The Declaration, signed by its participants, is a sort of code for equitable informational partnership, which is to be coordinated by the Council of Heads of CIS State News Agencies (CIS Informcouncil), formed last April.

The idea of informational partnership among the CIS nations is very promising in many ways. According to Vitaliy Ignatenko, the Informcouncil Chairman, it not only sets an example of consolidation for the governing structures and sectoral ministries of the CIS countries, but also serves the global purpose of preserving a single informational space. It is an open secret that the latter is in danger of being split up territorially and politically, is the target of Western world agencies, which are laying claims to it. Such parcelling may lead to the ousting of CIS agencies from the world information market, which will tell most negatively on the coverage of political and economic reforms in the CIS countries, Ignatenko stressed.

The participants of the meeting have endorsed the status of the CIS Informcouncil and of its secretariat. These structures must shortly be approved by the governments of the CIS nations. It was decided to set up a Technical Council of CIS State News Agencies, one of whose priority tasks is to implement the project of a single sputnik communication system for all the agencies concerned. The meeting has also created a pool of sports information agencies.

Minister Previews Gore-Chernomyrdin Meeting

LD2406174895 Moscow INTERFAX in English
1641 GMT 24 Jun 95

[FBIS Transcribed Text] MOSCOW, JUNE 24 (INTERFAX) — The Russian-US commission on economic and technological cooperation is meeting on June 29 and 30 in Moscow. Russian Prime-Minister Viktor Chernomyrdin and US Vice-President Al Gore are planning to attend its sittings, the government information service told INTERFAX.

In an exclusive interview with INTERFAX, Russian Nuclear Power Production Minister Viktor Mikhaylov said that the commission would focus, among other things, on the construction, in Russia, of storehouses for weapons-grade plutonium-239, the extension of the bilateral agreement on joint efforts for the peaceful use of nuclear power and the sale of Russian highly-enriched and low-quality uranium to the United States.

In Mikhaylov's view, the commission will also be likely to discuss Russian-Iranian agreement on cooperation in the field of nuclear power production and the sale of Russian-made light water reactors to Iran.

The United States raised objections against both the sale of Russian-made reactors and nuclear fuel to Iran, and the training of Iranian nuclear experts in Russia. It assumes that the Russian-Iranian cooperation in the nuclear field will facilitate the Iranian advance toward the production of nuclear weapons.

In Mikhaylov's view, however, "all formal commitments must be met." Mikhailov said that Prime-Minister Chernomyrdin shares his view.

Mikhaylov doubts that the commission will resolve all pending problems in Moscow. But, he said, "at its every sitting the commission makes one, however small, step forward."

The tentative schedule of Vice-President Gore's stay in Moscow provides for no meeting between Al Gore and President Yeltsin. The schedule was transmitted to INTERFAX by the government information service.

Chubays Views Discussions With IMF on New Credit

LD2506085595 Moscow ITAR-TASS in English
0745 GMT 25 Jun 95

[by Mikhail Mzareulov]

[FBIS Transcribed Text] WASHINGTON June 25 (ITAR-TASS) — Three main packages of matters were discussed on Saturday [24 June] during talks here between the management of the International Monetary

Fund (IMF) and a Russian delegation led by First Vice-Premier Anatoliy Chubays.

The delegation discussed Special Drawing Rights (SDR) arrangements, Russia-IMF cooperation, including that under a new three-year programme which envisages the granting of a new credit to Russia, and the course of the economic reform process in the Russian Federation in the second half of this year.

According to Chubays, the SDR problem is of particular concern to the Russian leadership. Apart from the assumption that Russia should be granted SDRs on a par with the other IMF members, this matter is of importance to Moscow also because "SDRs mean non-returnable money, which is simply given to a country as an IMF member, not a credit," he said.

Chubays also emphasised that the government is on the whole satisfied with the course of financial stabilisation in the country. He said the correctness of this evaluation will be apparently confirmed by the IMF Board of Directors when they meet next week to decide on the granting of yet another credit to Russia.

Expert: U.S. Aid Needed for Start-2 Program

LD2306220995 Moscow INTERFAX in English
1523 GMT 23 Jun 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 23 (INTERFAX) — Vice President of Russia's Institute for National Security and Strategic Studies, member of the London-based Institute for Strategic Studies Aleksandr Saveliyev believes that Russia would have to make drastic cuts in its nuclear arsenals even if there were no Strategic Arms Reduction Treaty-2, whose text President Boris Yeltsin sent to the State Duma for ratification recently. "We simply have no funds to maintain such a large quantity of nuclear weapons in safe condition," Saveliyev told INTERFAX on Friday.

"If the reports that Russian submarines do virtually no patrolling in the world ocean are true, it means that they are actually out of order," he said. "A large quantity of nuclear warheads remains on board these submarines, of course. But this does not alter the state of affairs essentially, since the submarines do no patrolling," the expert said.

He criticized the call for ceasing such patrolling the Russian leadership made in 1992. "The assertion that to stop patrolling is a stabilizing factor is absolutely wrong. A stabilizing factor is a submarine which cannot be spotted and which is capable of launching a retaliatory strike any time," Saveliyev said.

According to him, the decision to cut submarine patrolling was prompted primarily by financial considerations. "Russia does not have enough money to carry out patrolling or service the submarines returning from their patrolling missions," the expert said.

START-2 "does not undermine Russia's defense capability in any way," Saveliyev pointed out. "As far as I know, no one disputes the conclusion of former defense secretary Robert McNamara that 400 nuclear warheads are quite sufficient to destroy both the U.S. and the USSR," the expert said. "Under START-2 each side is to keep 3,000-3,500 nuclear warheads. Even if one half of them, for one reason or another, cannot be used, the remaining half will cover the 'McNamara factor' many times over."

According to Saveliyev, "Russia's defense capability is undermined by the technical condition of its arms, not by START-2." "The total number of weapons has relatively little in common with such a notion as defense capability," he said. "Defense capability is determined largely by the number of systems that can be used each minute to launch retaliatory strikes."

Nevertheless, the expert believes that "Russia will not be in a position to honor its commitments under START-2 before the year 2003 without American aid." "We have neither the power nor the opportunity for that. The Americans will have to grant Russia at least several hundred million, maybe even more than one billion dollars," Saveliyev concluded.

PRC Prime Minister on Official Visit 25-28 Jun

Li Peng Arrives in Moscow 25 Jun

LD2506213695 Moscow ITAR-TASS World Service
in Russian 2030 GMT 25 Jun 95

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[FBIS Translated Text] Moscow, 26 Jun (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin and Li Peng, premier of the State Council of the PRC, who arrived in Moscow on an official visit on 25 June, will hold talks in the morning of 26 June. It is expected that the whole range of bilateral relations, as well as a number of international problems will be discussed.

The ITAR-TASS correspondent has learned in the Foreign Ministry of the Russian Federation that seven or eight documents, including a treaty on mutual extradition of criminals and agreements on the construction of a bridge across the Amur River, protection against forest fires, and cooperation in the scientific and technical fields and agriculture, will be signed at the outcome of the talks.

The program of the visit, which will last until 28 June, includes a meeting between the Chinese premier and Russian President Boris Yeltsin.

Chernomyrdin, Li Peng Hold Talks

LD2606083095 Moscow ITAR-TASS in English
0742 GMT 26 Jun 95

[By Andrey Kirillov and Aleksandr Fedoseyev]

[FBIS Transcribed Text] MOSCOW, June 26 (ITAR-TASS) — Prime Minister Viktor Chernomyrdin at today's talks in Moscow assured Chinese Premier Li Peng that Moscow was committed to a dynamic development of relations with China on the basis of mutual benefit and mutual assistance.

Chernomyrdin recalled that 36 delegations from Russia visited China last year and 15 Chinese groups were in Russia for talks. The Prime Minister stressed in particular the importance of contacts between the leaders of the two countries. "Regular summit meetings are evidence that our countries have become good friends and neighbours," Viktor Chernomyrdin said.

The Prime Minister noted that mutual understanding between the two countries makes possible the solution of problems which appeared to be unsurmountable in the past, including the legal agreements on the border.

Viktor Chernomyrdin praised the activity of the Russian-Chinese intergovernmental commission on trade, economic, scientific and technical cooperation for having achieved "very important results."

Along with this Viktor Chernomyrdin stressed that Russia cannot be satisfied with the present level of bilateral trade. Last year, its value amounted to little more than five billion dollars, which is almost 34 per cent lower than in 1993. In the first quarter of this year, the trade between the two countries shrank by about seven per cent, he said.

The Russian Premier expressed gratitude to the government of China for the assistance extended to Sakhalin in the wake of a major earthquake there.

The two leaders are expected to sign a package of seven bilateral agreements on expanded cooperation between Russia and China in a number of fields, including an agreement on the exchange of criminals to try to tame booming cross-border trade.

Answer Questions After Talks

LD2606102595 *Moscow ITAR-TASS in English*
0950 GMT 26 Jun 95

[By Andrey Kirillov and Aleksandr Fedoseyev]

[FBIS Transcribed Text] MOSCOW, June 26 (ITAR-TASS) — The heads of government of Russia and China agreed today that the two great countries need no instructions from outsiders and are capable of deciding independently on their own way of life.

Responding to an ITAR-TASS question upon winding up today's talks with Russian Prime Minister Viktor Chernomyrdin, Chinese Premier Li Peng noted that the two countries discussed mainly bilateral relations but also touched upon international problems.

"I said, in particular, that China and Russia are great powers, and we cannot let anyone teach us how to behave and how to live. We must decide for ourselves," the Chinese Premier stressed.

He said the Chinese leadership hopes for stability in Russia and for the restoration of appropriate standards of living for the Russian people.

"I agree with the Premier," Viktor Chernomyrdin said. "We will decide how we should live. We have everything for this." The head of the Russian government said all agreements signed today "are of great importance for our countries." He pointed to major projects which will be implemented in China with Russia's participation: the construction of a powerful hydroelectric station with Russian equipment in the area of "Three Gorges", and the construction of a nuclear power station in China in which Russian equipment will be installed. Major consortia are being established for the purpose, and a major loan will be extended to finance the construction of the nuclear power station. Russia will supply complete equipment for the station.

The Russian Prime Minister also described the construction of a bridge across Amur as "a very important object." He said the bridge will help develop cooperation in the border areas between the two countries.

"Our two great countries have great markets. Both Russia and China have powerful potential, and we must use it in full measure."

Asked about Taiwan, Li Peng responded that in the course of talks in Moscow the Russian government confirmed again that "there is one China, and the government of the Chinese People's Republic is the only legitimate government of entire China."

Premiers Sign Cooperation Agreements

LD2606102395 *Moscow ITAR-TASS in English*
0938 GMT 26 Jun 95

[By Andrey Kirillov and Aleksandr Fedoseyev]

[FBIS Transcribed Text] MOSCOW, June 26 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin and Chinese Premier Li Peng signed a joint communique on the results of talks in Moscow today. They also signed a sizeable package of bilateral documents to boost cooperation in a number of fields.

The package includes an agreement between the Russian Federation and the Chinese People's Republic on the exchange of criminals arrested on charges of cross-border crimes, intergovernmental agreements on the construction of a bridge across the river Amur (Heilongjiang) near the cities of Blagoveshchensk and Heihe, on cooperation in the field of information science, on joint protection of forests against fires, on mutual recognition of certificates of education and learned degrees, an agreement on cooperation between the Russian Committee for Machine-building and the Chinese Machine-building Ministry, and an intergovernmental convention concerning quarantine in plant protection.

PRC Commission, Russian Ministry To Cooperate

LD2306091495 *Moscow ITAR-TASS World Service*
in Russian 0835 GMT 23 Jun 95

[By ITAR-TASS freelance correspondent Yekaterina Zhilyakova]

[FBIS Translated Text] Moscow, 23 Jun (ITAR-TASS) — Russian Deputy Prime Minister Nikolay Yegorov and Ismail Amat, the head of the State Nationalities Affairs Commission of the People's Republic of China, held a meeting today at which they agreed to sign an treaty on cooperation between Russia's Ministry for Affairs of Nationalities and Regional Policy and the Chinese commission. The sides also discussed cooperation between Russia and China in the sphere of national policy, proceeding from accords reached at the Russian-Chinese summit in September 1994.

Further on Deputy Foreign Minister's Mideast Tour**Spokesman on Trip to Iraq, Jordan**

LD2306171695 *Moscow ITAR-TASS World Service*
in Russian 1456 GMT 23 Jun 95

[By ITAR-TASS diplomatic correspondent Aleksandr Zhudro]

[FEIS Translated Text] Moscow, 23 Jun (ITAR-TASS) — Mikhail Demurin, first deputy director of the Depart-

ment for Information and Press of the Russian Federation Ministry of Foreign Affairs, today announced that Viktor Posuvalyuk, Russian deputy minister of foreign affairs, visited Iraq and Jordan 19-22 June.

During talks in Baghdad, where the Russian envoy held detailed consultations with Deputy Prime Minister Tariq 'Aziz, Minister of Foreign Affairs Muhammad Sa'id al-Sahhaf, and other officials, a wide range of issues relating to the post-crisis settlement in the Persian Gulf was touched upon, first and foremost in the light of a report presented recently by the UN special commission on the disarmament of Iraq.

The Russian side noted the positive developments in Iraqi affairs, primarily the undoubted progress in Baghdad's implementation of the "disarmament" demands of the Security Council resolution, a fact which was also reflected in a report by Rolf Ekeus, the chairman of the special commission. The attention of the Iraqis was drawn to the need for the speedy provision of additional information in the sphere of biological programmes which would make it possible finally to close the disarmament file and open the way to lifting the sanctions on the exporting of oil and other products from Iraq.

The Russian envoy also discussed other aspects of eliminating the consequences of the Kuwait crisis, in particular clarifying the fate of Kuwaiti nationals who have disappeared without trace.

In Amman, Viktor Posuvalyuk held a conversation with King Husayn of Jordan. Particular attention was paid to the current state of and prospects for further advancing the Middle East peace process. Within the framework of the customary regular confidential exchange of views, the strengthening of Russo-Jordanian political cooperation in this sphere was considered, including with regard to facilitating progress at the Syrian-Israeli talks. Mikhail Demurin said that issues relating to preparations for a second Middle East summit planned for October in the Jordanian capital were also discussed.

Holds Talks in UAE 25 Jun

LD2506161795 Moscow ITAR-TASS in English
1602 GMT 25 Jun 95

[By Vyacheslav Anchikov]

[FBIS Transcribed Text] ABU DHABI, June 25 (ITAR-TASS) — Deputy Foreign Minister Viktor Posuvalyuk met with the leaders of the United Arab Emirates on Sunday to inform them about the efforts being taken to reach peace in Chechnya, following the terrorist act in Budennovsk.

Posuvalyuk met Minister of State for Foreign Affairs Hamdan Bin-Zayid Al Nuhayyan and chief of the General Staff of the UAE Armed Forces Muhammad Bin-Zayid Al Nahayan to discuss a wide range of issues, including the situation in the Middle East and the Persian Gulf area, as well as bilateral cooperation.

In an interview with ITAR-TASS, Posuvalyuk said his UAE partners had a somewhat different understanding of the situation in Chechnya, which he explained by the Western interpretation of the past and present events in that North Caucasus republic of Russia.

The United Arab Emirates was the fourth country visited by Posuvalyuk during his Middle East tour. Earlier, he visited Jordan, Iraq and Kuwait.

After the talks in Abu Dhabi, Posuvalyuk left for Moscow.

Military Adviser Gromov Comments on NATO Expansion

LD2406133695

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1020 GMT on 24 June carries the 15-minute "De Facto" program presented by Leonid Mlechin which is devoted to NATO's expansion. Opening the program, Mlechin says that many countries, that for many years in the past regarded NATO as an enemy, now cannot wait to join NATO. It is a fact that NATO has decided to admit east European countries, and it is only a question of time, he says.

The program features an interview with Colonel General Boris Gromov, former deputy defense minister. He currently holds the post of chief military adviser at the Russian Foreign Ministry. The interview, given in Gromov's office, is interspersed with general information about NATO presented by Mlechin over military footage. Asked about the extent of NATO's threat to Russia, Gromov says, "I cannot say that nowadays NATO, the NATO bloc, poses any military threat, I mean direct military threat, to Russia. There are many reasons for this, including the present situation both in Russia and Europe, and in the whole world and also changes that have taken place. We, of course, do not say directly that NATO poses any real threat to Russia today. There is no need to say it."

Asked about the Russian Army's attitude to NATO, Gromov says, "There are various attitudes. Some people think that NATO remains our potential enemy, while others think the opposite. In any case, even if there are such thoughts, they should not be turned into a policy to be implemented in reality. The past cannot be changed, of course. It is a fact that there was confrontation that

involved people who devoted virtually their entire lives to armed forces in the Soviet Union, and in particular, in Russia. One cannot just wipe that out of people's memory. They will, of course, remember this, but we are human beings and we can improve our thinking."

Gromov also says, "There is no doubt that as a result of NATO's expansion all agreements and treaties, including those in the military sphere, or should I say, in the sphere of the military-strategic partnership and cooperation, will cease to exist, both bilateral and unilateral ones."

In another excerpt of the interview, Gromov says, "The confrontation that existed between NATO and the Warsaw Pact, the Warsaw bloc, on the one hand and the Soviet Union on the other hand, still exists to a certain extent. Certain questions, problems, and 'complexes' in people's minds still exist, of course. We cannot fail to take this into account.

"We are currently advocating — and I believe we are doing the right thing — cooperation and interaction with any country of the world, including in Europe. Life is impossible without this. One should always remember lessons learnt from history."

Gromov also says, "If the NATO bloc were to expand which, of course, would change the configuration of existing borders in Europe, and which, incidentally, would be at variance with the Helsinki Final Act, I think that it would be necessary to look into the material side of things: for example, how many delivery systems for nuclear weapons, tactical weapons, mobile tactical weapons, would be moved closer to the Russian border, and how many additional armored and combat vehicles, tanks, and so on and how many more conventional, nuclear, and other weapons would be there."

In conclusion Gromov says, "The situation in Russia has changed very much. These 'complexes' in certain countries still exist, unfortunately. This complex of mistrust — let's put it like that — towards one of the former countries of the bloc [not specified] should cease to exist." [video shows interview in office, military in training, examining maps, inspecting weapons]

Generals See NATO Expansion Leading to War

*MK2306131095 Moscow SEGODNYA in Russian
23 Jun 95 p 9*

[Report by Pavel Felgengauer in the "Partners" column: "Russian Generals Are Not Concerned About the Good Intentions of the NATO Countries. As Professionals,

They Must Also Take the Worst Case Scenario Into Account"]

[FBIS Translated Text] Russia again, as in previous years, increasingly reveals a besieged fortress. The attack by Chechen terrorists on Budennovsk civilians seems just another, although especially revolting, element in the series of disasters that have swept the country in the past few years. Wars, crime, disintegration of the former rigid social structure of society, economic depression, and, to cap it all, the enlargement of NATO.

What is the most terrible is that while there is at least some hope of finally coping with the devastation and the Chechen bandits with its own resources, the expansion of the NATO military bloc is generally seen in Russian society as an infernal threat which again dooms it to an existence in constant expectation of "a big war" — a new 22 June 1941, when courageous death, weapons in hands, will become the only respectable way out of a hopeless situation.

At the other end of the continent, people at NATO headquarters in Brussels are well aware that public opinion in Russia is extremely negative to the alliance's intention to expand to the East. This fact really upsets many influential Western politicians, and therefore bureaucrats in NATO have been ordered to do everything possible to explain to the troublesome Russians that the enlargement of NATO corresponds to Russia's national interests, that resistance is senseless in any event, and that they should relax and try to get the most pleasure out of the Partnership for Peace program. "You should trust us, actively engage in the cooperation process, and you will soon see for yourselves how good it will be together," a high-ranking NATO official told me in Brussels last week, asking, as usual, not to mention his name.

Thus, the actual contradictions between Russia and the West are reduced to the banal inefficiency of corresponding propaganda services. Therefore now substantially more funds and efforts will be directed toward overcoming the psychological barrier and stamping out the last vestiges of the Cold War. In the next several months NATO headquarters will be visited — on get-to-know-you missions and for the most part at the expense of the receiving side — by numerous delegations of the "Russian public" (journalists, Women of Russia, and representatives of other political factions).

One NATO deputy general secretary thus outlined the most favorable — from NATO's perspective — scenario for the further evolution of the military-political situation in Europe: "The Russian Federation takes an increasingly active part in the Partnership for Peace and in other programs of cooperation with NATO, and in a few years there will be so much mutual trust and

friendship that the enlargement of NATO, inevitable by that time, will proceed absolutely painlessly and without any excesses."

Representatives of the alliance's political leadership stress that "without Russia a stable security system in Europe is impossible," and therefore try to show maximum consideration, seeking not to irritate the unpredictable Russians without a real need. When the Russian army marched on Grozny in December, the former socialist countries, which now aspire to full NATO membership, tried to use the war in Chechnya as proof of the actuality of "the threat from the East," thus, however, arousing serious discontent in the West. "We told them that such talk will only complicate your accession to NATO because it indicates, as it were, that the expansion is aimed against Russia," a highly placed official in the alliance's political leadership told me. "The war in Chechnya is a purely internal affair of Russia and can, in our opinion, in no way be regarded as serious evidence of the revival of Russian aggressive imperialism."

But, unfortunately, the contradictions between Russia and the West are quite real and neither the diplomats' smiles nor the propagandists' efforts will be capable of resolving them. Russian generals, just like the military in any Western country, consider exclusively the military-technical aspects of the strategic balance of forces. Military professionals are absolutely unconcerned about the good intentions of political leaders because they can change within days, hours, or minutes. The military is interested primarily in the worst case scenario because it is then that rulers and the people turn to the army for salvation.

At present the competent opinion of the Russian General Staff is essentially that war in Europe, especially an unexpected one like that on 22 June 1941, is impossible in principle. NATO countries cannot "reach" Russia either with ground forces or with tactical aviation. Neither is Russia able to attack anybody. Only strategic nuclear forces can still be targeted at each other. Strategic forces, however, are also being downsized and, moreover, neither Western nor Moscow headquarters have ever planned to conduct a purely "strategic" nuclear war without the participation of conventional forces.

Moscow would like such a configuration of armed forces in Europe, which precludes war, to be preserved in the future. NATO expansion to the East, however, will again geographically bring potential adversaries closer to each other, and therefore the probability of an unexpected ("accidental") war will sharply increase again.

Even now, prior to any expansion to the East, individual military-technical cooperation programs within the Partnership for Peace framework are aimed at achieving the operational and technical interoperability of the armed forces of the "former enemies" with the NATO troops. This is the main official objective of Partnership for Peace: to prepare an infrastructure for the conduct of joint peacekeeping operations. After expansion the preparatory measures will naturally serve as a basis for conducting far from "peacekeeping" actions. Expansion to the East is not a purely political act. Security guarantees for each new member will, according to assurances from NATO headquarters, be of quite a concrete military-technical character. In other words, specific military plans will be worked out and a real infrastructure put in place for the expeditious deployment of NATO forces, say, on Poland's territory, even if in peacetime they are not stationed there on a permanent basis.

By the year 2000 or slightly later a favorable and interoperational environment is to be created in Europe from the Atlantic to the Russian border near Pskov and Narva, which can be used by NATO (including U.S.) assault air-mobile and air units to advance thousands of kilometers within hours, preserving the capability to deliver decisive and powerful strikes on the move. In the worst case scenario, Pskov, Kaliningrad, and St. Petersburg will in principle prove impossible to protect. War can flare up quite unexpectedly and accidentally not as a result of calculated aggression but, say, as a result of an attempt to exert military-political pressure on Moscow during some crisis (for instance, around the sea oil fields in the Caspian), by, for example, starting intensive maneuvers by mobile forces on the territory of newly admitted NATO countries.

In response Moscow could decide that it has been left no other option but to deliver a preventive strike on the enemy's deploying assault forces. High-ranking representatives of the Russian Defense Ministry do not at all rule out that in response to, say, the integration of Poland into the NATO structure, Moscow could deploy hundreds of tactical nuclear warheads in Kaliningrad Oblast which will be targeted at Polish military and strategic installations, necessary for supporting operations by mobile assault forces. (Delivery vehicles for tactical nuclear weapons are already in place; special facilities to store and maintain the warheads were built in Soviet times, and can be used again).

Clearly, whereas Poland as part of NATO is perceived as a dangerous military threat, the integration of the Baltics in NATO is simply unacceptable in any form. Moscow will never allow Poland and especially the Baltics to emerge as an advance military bridgehead for

exerting power pressure on Russia. Of course, NATO headquarters argues hotly, even if informally, that "nobody is thinking about inviting the Baltics, except perhaps the Danes. We understand the potential threat this would pose to St. Petersburg and other Russian cities." In 1992, however, the late NATO General Secretary Manfred Woerner just as hotly maintained that "NATO does not ever intend to expand anywhere." But then he just went and revised his opinion. The cue for the expansion to the East was President Yeltsin's famous statement during his visit to Warsaw.

The inconsistency of Russian politicians on the issue of NATO enlargement has led not only Russian foreign policy but also the Western alliance's eastern policy to a deadlock. The West has been confident for too long that it will be possible to "talk" Moscow into agreeing to the expansion; and now, when the Kremlin leadership suddenly said "no," they still continue to coax and cajole instead of trying somehow to adjust the actual contradictions. Russia needs real, not paper, guarantees of security and the non-recurrence of a 22 June. Any NATO expansion without such guarantees will only sharply destabilize the situation in Europe, and the threat of war can turn out to be more serious than even in 1949, 1961, or 1983.

Shumeyko Arrives in Romania, Comments on NATO

LD2506185795 Moscow ITAR-TASS in English
1843 GMT 25 Jun 95

[By Igor Ignatyev and Nikolay Morozov]

[FBIS Transcribed Text] BUCHAREST, June 25 (ITAR-TASS) — A Russian parliamentary delegation led by Federation Council Chairman Vladimir Shumeyko arrived in Romania on Sunday in hope to conduct candid talks and resolve the existing disagreements between the two countries.

The visit by the Russian delegation to Romania is a sign of the normalisation of relations between the two countries, Shumeyko told journalists at Bucharest's airport.

Asked about NATO's enlargement, Shumeyko said he is against a "thoughtless expansion of NATO."

Speaking about a Russian-Romanian political treaty, Shumeyko pointed out that the document is practically ready. The only obstacle is a disagreement over whether or not a provision concerning the Molotov-Ribbentrop pact should be included in the treaty's preamble.

He expressed the hope that a solution will be found, adding that the present Russian leadership does not bear responsibility for Stalin's policy.

On Monday, the Russian delegation is expected to have talks with Foreign Minister Teodor Melescanu, chairmen of both houses of the parliament, Oliviu Gherman and Adrian Nastase, Labour and Social Welfare Minister Dan Mircea Popescu and President Ion Iliescu.

Prospect Seen of 'Unblocking' Pact With EU

MM2306145295 Moscow IZVESTIYA (Financial section) in Russian 22 Jun 95 p i

[Report by Aleksey Portanskiy: "One Year After Corfu the Partnership With the EU Remains Only on Paper"]

[FBIS Translated Text] President Yeltsin signed the Agreement on Partnership and Cooperation with the leaders of the European Union [EU] on the island of Corfu 24 June 1994.

The chief practical significance of the document is its lifting of the EU's one-sided discriminatory restrictions and barriers in trade with Russia.

The most painful restrictive measure for Moscow is the use of antidumping procedures, of which the EU now has 14 in respect of Russian exports. The real losses caused by them run to hundreds of millions of dollars a year. Meanwhile, the EU is the Russian Federation's chief trading partner in the world: Whereas the United States accounts for 4 percent of Russia's trade turnover, Japan 3 percent, China 6 percent, and our neighbors in the CIS 24 percent, the EU accounts for 37 percent.

To accelerate the implementation of the ideas in the Agreement on Partnership and Cooperation it was decided to draw up the Interim Trade Agreement, which includes articles of the aforesaid agreement which do not lead to a change in the legislation of the signatories and, thus, do not require ratification. It was to have come into force 1 March 1995, with the result that the majority of the one-sided restrictions in trade would have been lifted.

The implementation of the interim agreement and of the main agreement was held up by the war in Chechnya, since the texts of both documents contain a provision on the need to observe human rights. Brussels' conditions boil down specifically to four points: a cease-fire in Chechnya, progress on a political solution to the conflict, unhindered access for humanitarian aid, and permanent stationing of an OSCE [Organization for Security and Cooperation in Europe] group in Chechnya.

Yet Chechnya alone cannot be the reason for such prolonged blocking of the development of trade and economic ties between the EU and Russia, whose economy has made radical progress in recent years.

Confirming their former stand on Russia at the EU foreign ministers' session in Luxembourg 12 June, EU representatives signed agreements with the leaders of Latvia, Lithuania, and Estonia giving those countries associate membership of the EU — which in practice opens up before them the prospect of joining the Europe of the 15 fully.

The question of human rights violations in the Baltic countries did not arise here. Following the signing of these agreements the European Commission at once lifted a number of antidumping procedures in respect of them, similar to those still in force against Moscow.

The process of signing interim trade agreements with the EU is embracing an ever-larger number of Russia's neighbors in the CIS. Russia's resultant sense of isolation is not only humiliating but also absurd: The legal-treaty basis of the Cold War times, enshrined in the 1989 agreement, is virtually retained between Moscow and the EU capitals.

The West's acknowledgment of Russia as a country with a transitional economy has not yet had any real impact, since such a concept does not exist in either EU or U.S. legislation. Therefore the West continues in practice to build relations with Russia as a country with a nonmarket economy — hence all the one-sided restrictive measures aimed at eliminating competition from Russian commodities in Western markets.

Not all EU members are equally categorical with regard to implementing the agreements that have been drawn up on partnership with Russia. In Luxembourg recently representatives of Germany, France, and Britain recently advocated a "more pragmatic" approach. Taking into account the recent events around Chechnya and the start of talks, a move in the direction of unblocking the implementation of the Agreement on Partnership and Cooperation and the Interim Agreement with Russia cannot be ruled out during the EU countries' upcoming summit 26-27 June.

Defense Minister Grachev Arrives in Moldova

*LD2606101595 Moscow ITAR-TASS World Service
in Russian 0932 GMT 26 Jun 95*

[By ITAR-TASS special correspondents Valeriy Demidetskiy and Anatoliy Yurkin]

[FBIS Translated Text] Chisinau, 26 Jun (ITAR-TASS) — Russia's Defense Minister Pavel Grachev arrived in the Moldovan capital today. He told the ITAR-TASS correspondents at Chisinau airport that the aim of his visit is to discuss military and political issues related to the deployment of Russian troops on the territory of Moldova.

Pavel Grachev said that these issues will be discussed with Moldova's President Mircea Snegur, Defense Minister Pavel Creanga, and other high ranking officials of the republic.

Today the Russian defense minister will visit Tiraspol, where the operational group for the management of the Russian troops in the Dniester region is based. He plans to see for himself the daily life and combat training of the 59th Guards Division and of the other units based there. He stressed that special attention will be paid to social problems encountered by the servicemen. In particular, the problem of financial backing for the construction of housing will have to be finally resolved, enabling all servicemen to have apartments by the fall.

Pavel Grachev pointed out that his visit is taking place on the eve of a meeting between the Russian and Moldovan presidents scheduled for 28 June, during which they will discuss the problems related to the deployment of a contingent of Russian troops on the territory of the republic.

The Russian minister also plans to discuss with his Moldovan counterpart the military and technological cooperation, as well as cooperation between the armed forces of the two countries. The minister said that the program of the trip includes visits to a number of military sites of the Moldovan Defense Ministry.

Comments on Duma Recommendation

*LD2606111895 Moscow ITAR-TASS World Service
in Russian 1015 GMT 26 Jun 95*

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Translated Text] Chisinau, 26 Jun (ITAR-TASS) — "I am working at present and trying not to think about it." This was the comment by Russia's Defense Minister Pavel Grachev when he arrived in Moldova with regard to the State Duma's Friday decision recommending that he, Internal Affairs Minister Viktor Yerin, and Nikolay Yegorov, deputy prime minister and minister for nationalities, should be relieved of their duties.

The defense minister stressed that the final decision whether to fire the head of any of the power ministries is made by President Boris Yeltsin personally.

The decision to recommend the firing of the defense minister, the internal affairs minister, and the deputy prime minister and minister for nationalities, was made by the State Duma last Friday after deputies of the lower chamber harshly criticized the actions of the power ministries during the dramatic events in Budennovsk.

On Saturday Prime Minister Viktor Chernomyrdin said he does not intend to recommend to the head of

state to fire these ministers. At the same time the head of government believes that during the coming meeting of the Russian Federation Security Council, where the consequences of the Budennovsk events will be discussed, "there will be a serious discussion, and evidently, serious conclusions will be drawn."

Army Daily Praises Peacekeepers' Role in Georgia

MM2306121295 Moscow KRASNAYA ZVEZDA in Russian 22 Jun 95 p 3

[Report by Sergey Prokopenko under "Facts and Commentaries Postscriptum" rubric: "Russian Peacekeepers in Georgian-Abkhaz Conflict Zone: One Year On. Main Result Is Peace in the Region"]

[FBIS Translated Text] One year has passed since the Russian peacekeeping contingent was brought into the Georgian-Abkhaz conflict zone under the 14 May 1994 Agreement on a Cease-Fire and Separation of the Sides. Now, one year on, it can be said without exaggeration that the Russian "Blue Berets" have coped with their mission in the conflict zone. If we are talking about the results of one year's peacekeeping activity, then the main one is that peace has been established in the Georgian-Abkhaz conflict zone. Although, in the opinion of Lieutenant General Vasilii Yakushev, commander of peacekeeping forces in the conflict zone, it is a fairly fragile peace.

The second factor is that it has been possible to withdraw all armed formations of both warring sides from the security zone.

The third is that Russian peacekeepers have created the conditions for the organized return of refugees to their places of residence. That is to say, the terms of the agreement of 14 May 1994 have been fully implemented by the Russian peacekeepers.

Of course, not everything on this road to peace was smooth and easy. Regrettably it must be stated that during this year there were losses among our peacekeepers. They have been repeatedly criticized for inactivity. Some people would very much like to foist a policing function on them as well. But Lt. Gen. Yakushev's opinion is unequivocal here: The police must pursue bandits. He does not have the right to put Russian boys in the firing line, specially as they are having to work in the most difficult conditions. Seven days and nights at their posts, then a week of combat training, after which they return to their posts. Not everybody could withstand such an intensive regime of service. But people are coping.

Yet despite the positive achievements the situation is still fairly difficult. This is because of the uncertain

status of the republic itself, which has adopted its own constitution and elected its own president. These steps provoked a negative reaction from official Tbilisi. Moreover, the intransigents in the Georgian parliament continue to insist that this problem be solved by methods of force.

Partly the tension in the zone is also being created by gangs which are carrying out "raids" on the peaceful population.

So, Russian peacekeeping soldiers on this soil are by rights considered the guarantors of peace. It is also obvious that in the current situation their departure from here could precipitate another spiral of the armed conflict. But the Russian soldier will not be staying here forever. So the questions in dispute must be settled as quickly as possible by political methods.

Georgian Debt to Russia Restructured

MM2306134395 Moscow PRAVDA in Russian 23 Jun 95 p 2

[Report by Vladimir Statskiy: "We Forgive All Debts"]

[FBIS Translated Text] Tbilisi — During the meeting in Moscow between the Georgian delegation headed by Vice Premier T. Vasiliya and A. Bolshakov, Russian Federation vice premier for CIS affairs, agreement was reached on deferring the payment of Georgia's debts to Russia for three years. Georgian television reports that before this deadline the republic will pay only the so-called servicing interest.

What is interesting and is not concealed here is that the solution of the problem of restructuring debts to Russia was insisted on most of all by the IMF, which set this as the main condition for the issue of another major credit to Georgia.

CIS Share of Russia's Foreign Trade Declines

MM2306155295 Moscow IZVESTIYA (Financial section) in Russian 22 Jun 95 p 1

[Report by Ye. Vasilchuk under "News" rubric: "The CIS Share of Russia's Foreign Trade Continues To Fall"]

[FBIS Translated Text] According to preliminary data of the Russian State Committee for Statistics, exports to countries in the far abroad during January-May 1995 amounted to \$21.9 billion (101.9 trillion rubles [R]) and increased 24 percent compared with the corresponding period last year. Imports increased 17 percent — to \$15 billion (R69 trillion). Russian exports to the CIS countries fell 3 percent — to \$5.2 billion (R23.7 trillion); imports increased insignificantly, by

0.4 percent — to \$4.8 billion (R22.3 trillion). The Commonwealth countries' share of Russia's foreign trade fell from 25 percent in January-May 1994 to 21 percent this year. The favorable situation in trade with the far abroad which has taken shape in the first half of the year could deteriorate significantly in the second half owing to the increase in import duties, the weakened competitiveness of Russian exporters, and the instability of the world oil market.

International Crime Figure's Connections Traced

954F2554A Moscow *SEGODNYA* in Russian
10 Jun 95 p 5

[Article by Fedor Tyunin, under the "Investigation. Criminal World Anthology" heading: "Yaponchik's Third Arrest: The 'Jubilee' Detention Will Be Put Down to the FBI"]

[FBIS Translated Text] On Thursday, FBI officers struck a crushing blow at the so-called "Russian mafia" in New York. Bureau agents arrested a famous Russian "kingpin," the 55-year-old Vyacheslav Kirillovich Ivankov, better known by the trade names Yaponets, Yaponchik, or Ivanets. Together with the influential mafioso were seized five of his fighters and Leonid Abelman, who also carries great weight in the criminal world.

The First Steps of an Ideologue

Vyacheslav Kirillovich Ivankov was born on 2 January 1940. At that time, sports were highly esteemed, and, like most of the kids his age, Slava began to get involved in boxing during his teens. Quite soon he showed himself to be a very promising athlete, fulfilled the requirements to be a master of sport candidate, and even on more than one occasion earned prizes in competitions on the city and rayon level. The ability to do a decent job with his fists brought Ivankov into contact with the local gang, which was headed by criminal bosses. It was at just that time that the fearless fighter, who was ready to fulfill any command from the "brigadier," attracted the attention of Gennadiy Korkov, better known as Mongol, who was already very famous in the criminal milieu. In his group were gathered together athletes of the power types of sports, masters of Eastern single combat, and simple street fighters. Mongol's brigade differed favorably from the "competing firms." Korkov organized intelligence and counterintelligence services in his operation. The bandits shook down black marketeers, bribe-taking bureaucrats, and store managers. Here they counted on the victims of their rackets not turning to the police for fear that the latter would interest themselves in where the money extorted by the racketeers had come from.

It was during this period that Ivankov received the trade name Yaponets—his gangster friends had noticed the Eastern shape of his eyes. At the age of 18, Ivankov married a cafeteria manager and soon became the father of two boys. The presence of a family in no way inhibited Ivankov from engaging in criminal activity. In the mid-1970's, Mongol's gang burgled the apartment of a famous collector. The Moscow Criminal Investigations Department was able to arrest the participants in the burglary, Yaponets among them. Taking into account the fact that he was being tried as an accomplice, the court decided to send Ivankov to a place of incarceration for only five years. During his first jail term, Yaponets was "crowned a kingpin." At that time, the thieves' traditions were still very strong and strictly observed. Vyacheslav Kirillovich was young to be a kingpin, but Mongol's recommendation played its part, as well as the extraordinary personality of Yaponets himself, and his position as a "refuser"—a person very aggressively disposed against the prison administration and the authorities in general. After his release, as befits a real "kingpin," Ivankov divorced his wife and continued his path to the apex of the criminal Olympus, having become Mongol's right-hand man.

Korkov's gang was still involved in the same business, and they worked indefatigably—by this time in the USSR the underground "shop" business had begun to blossom into luxuriant flower. Mongol's gang put the racket on a professional basis. Before a visit to an underground dealer, he was "worked up" according to all the rules: His place of residence was established, as well as all the sources and volumes of illegal income, and so on. In 1980, Yaponets again fell into the hands of the law. At that time he and his group were arrested for robbery and aggravated assault. In the course of the investigation, it transpired that the law enforcement agencies had come up against a real criminal organization, with rigid laws and principles. According to certain information, officers of the USSR KGB, which had been given instructions on the fight against the organized crime that was springing up in the Soviet Union, took an active part in the investigation. By the end of the investigation (1981), the charge of extortion was added to the charges of robbery and aggravated assault. As a result, Ivankov was sent to a maximum-security camp for a long 14 years. It is said that at that time, among the others implicated in Ivankov's case were several famous athletes who had been included in Russia's national team and who had performed successfully in the 1980 Olympics, and for that reason, the case was not widely publicized.

During the period of his prison term, Vyacheslav Kirillovich stayed in many prisons, including in the

Irkutsk colony and in the famous Vladimir Central. Everywhere, Yaponets took charge of that segment of the convicts who were negatively disposed toward the administration. As a "kingpin," he carefully followed the thieves' traditions and did not forgive deviations from it. They say that Yaponets spent a year, all told, in camp punishment cells for assault and battery of other prisoners who had dared to cross him in some way. Some of Ivankov's victims died. Nevertheless, this in no way increased the boss' term—according to the laws of the criminal world, the small fry bring such crimes "upon themselves." However, Ivankov was not a stupid, unbridled criminal. Finding himself in prison, he constantly kept up his contact with the outside world. Besides this, Yaponets skillfully organized communication with arrested prisoners in other prisons. Ivankov understood like no one else that the future of Russian organized crime was by no means in crooks in "vosmiklinke" [as transliterated] and kerezy boots, but in people who were, so to speak, educated, able to resolve not only criminal but also financial and commercial questions, and having high patrons in the law enforcement agencies, in the power structures, in the world of sports and art. As can be seen, Ivankov was drawing in his imagination the prototype of the Russian mafia that is operating today.

"I Am Not There—I Left Russia...."

Vyacheslav Ivankov's immediate future confirmed yet again the correctness and far-sightedness of his reasoning. If Yaponets had been a common criminal, he would have been able to walk out of the barbed wire only on 4 November 1995. However, in the dawning of perestroika, these same high patrons of Ivankov's were able, almost without hiding a thing, to obtain the premature release of the "kingpin." At the end of the 1980's, all the appropriate levels—from the colony leadership to the USSR Supreme Court—were flooded with letters petitioning for Ivankov and with protestations of his "crystal pure and misled soul," and so on, from deputies of the USSR Supreme Soviet, famous actors, and even representatives of law enforcement agencies and the power governing structures. As a result, on 25 February 1991, the RSFSR Supreme Soviet collegium reviewed Vyacheslav Ivankov's sentence and mitigated the punishment, exchanging the remaining term in the colony for conditional early release. Proceeding from this court ruling, Ivankov was to be under administrative surveillance.

However, such a state of affairs did not suit the criminal general, and soon he disappeared from the field of vision of the law enforcement agencies. When this was discovered, Ivankov was declared wanted on a charge of malicious violation of the rules of adminis-

trative surveillance (Article 198, part 2 of the Criminal Code of the Russian Federation, revoked at the present time). While the listless search lasted, and police bureaucrats exchanged inquiries and answers, Yaponets got his foreign-travel passport in order. Receiving it through influential friends, the boss flew to Germany, interestingly, on an official foreign-travel passport. As far as is known, Ivankov did not tarry long in Bismarck's fatherland. But that time was sufficient for him to take the Russian settlement and its business under his control. Leaving the matter to his proxy, trade name, Tayvanchik (Takhtakhunov, in the outside world), Yaponets left for the United States.

In what manner a person with an unserved conviction and such a past was able to cross the American border still remains a mystery. The punctiliousness of the American immigration services in these questions is known to all. Thus, for instance, one of Yaponets' companions, the "kingpin" Rafik Bagdasaryan, known by the trade name Svo, in 1992 attempted to leave to the United States using a counterfeit passport. Even the Russian special services had been unable to establish the fact that the foreign-travel passport was counterfeit. But Svo was not able to dupe the Americans—without an explanation of the reasons, Bagdasaryan was refused a visa. Now representatives of the corresponding U.S. services declare that Ivankov entered America illegally, on a fake passport. In our view, this version looks, to put it mildly, unconvincing.

A Brighton Beach Career

In the United States, Ivankov settled at first in the center of the Russian quarter—in Brighton Beach. At that time, the criminal world was governed there by the Odessa brothers Vladimir and Alex Zilber, Monya Elson, Abelman, and others. At the moment of Yaponets' arrival in America, naturally, it was already a fairly strong criminal group. But for a person on Yaponets' scale, it turned out to be too weak and not numerous enough. Yaponets started to expand, attracting to his ranks emigrants from Russia. According to certain information, in the beginning, there were 100-150 people in his group, mainly former and current athletes. Incidentally, one of them was the famous boxer Sergey Korotayev, who was shot at the beginning of last year in New York and buried in Vagankovskoye Cemetery in Moscow. As far as is known, from the first days of his stay in the United States, Yaponets teamed up solidly with the Zilber brothers, who had already lived in the United States for more than 10 years. At Yaponets' initiative, toward the end of the 1980's they set up solid contacts with several Italian Mafia families and made money on shady transactions

in gasoline and other products subject to excise duties. Interestingly, in 1993, the FBI exposed the Zilbers' group and their machinations. The robber brothers were arrested and appeared in court, receiving different terms of punishment. A house was confiscated from one of the brothers that was worth a million and a half dollars. After the arrest, at a briefing for journalists, FBI agents reported that the routed portion of the Russian mafia had the menacing name of an "organization," which it in fact essentially was.

It was precisely through the Zilber brothers that Ivankov concluded a union with the famous Genovese and Gambino mafia families. The information on the joint activity of Ivankov and the Italian mafiosi is very vague. According to information from various sources, Yaponets' group had a hand in drug trafficking, racketeering, shady financial dealings, underground gambling, prostitution, and arms sales. After a series of showdowns and mysterious and clearly contract killings, Yaponets managed to make his niche in American organized crime. It is worth mentioning that, true to himself, Ivankov engaged not only in illegal, but also in legal business. According to the information of Moscow detectives, Ivankov even received a percentage from the profits of Las Vegas' gambling. According to the information available, this percentage was expressed as approximately \$300,000 every year.

It is worth mentioning that until recently, problems did not arise for Ivankov with the American law enforcement agencies. This looks somewhat strange—for the most "respectable" Russian "kingpin" it is not enough that he is known by law enforcement, but he is also on the wanted list. It is not only the Moscow Criminal Investigations Department, the Ministry of Internal Affairs, the Federal Security Service, and other special services that know about this, but also practically every adult resident of Russia who picks up a newspaper or watches television every now and then. Even separated from his motherland by an ocean, Ivankov continued and continues to exert a decisive influence on the Russian criminal world. Many of the crime bosses who have remained in Russia see in Ivankov something of a guarantor of their stability and tranquility. It is said that one telephone call from Yaponets was sufficient to receive credit of \$1 million or several million dollars from several banks.

In a recent interview, the head of the State-Legal Directorate of the Moscow mayoralty, Sergey Dontsov, spoke of his sanctioned meeting with representatives of organized crime. Mr. Dontsov related that the representatives of organized crime expressed especial concern on the subject of the orgy of lawlessness, which takes the form of daily explosions and murders. Mr.

Dontsov's interlocutors literally declared the following: "Bring back Slava Ivankov. Bring Yaponchik back to Moscow. He will bring order. He will become the center around which the organized and strong will unite; he will strangle all these small fry that are setting up street shootings, and you (that is, the authorities) will know exactly with whom you are dealing—with one strong master...."

"I Sit High Up, I Can See a Long Way!..."

In the opinion of specialists on organized crime, Vyacheslav Ivankov was and remains one of the leaders of the Slavic criminal formations and an active fighter of the Caucasus mafia. And Yaponets' criminal influence extends not only to Moscow or the central regions of Russia, but also to the Far East, Siberia, the Baltics, and so on. One can say with conviction that at the present time, Russian organized crime is conventionally divided into two camps—those who acknowledge Ivankov and those who do not. The latter, by the way, accuse Ivankov of having organized several splashy contract murders of crime bosses. Nevertheless, there are significantly more of those who do acknowledge Yaponets' authority. Among his friends figure practically all of the influential "kingpins." Police experts are convinced that the opposition of the friends and enemies of Yaponchik indeed frequently determines today's criminal policy. There is information that Ivankov actively heads a number of criminal formations in Moscow and in Russia. According to information of the American special services, since 1991 he has more than once conducted meetings with Russian bosses and "kingpins" abroad. Several times, he has been noticed in Israel, Germany, the Baltics. More than once his friends have come to visit Ivankov, and simple house guests. Thus, the late Sergey Timofeyev, who was known under the trade name Sylvester and who was blown up not so long ago in Moscow, in the past two years visited Ivankov three times. According to information of the Moscow Criminal Investigations Department, Yaponets kept up the closest of contacts with such bosses and "kingpins" as the leader of the Izmaylovo organized crime group Boris Antonov (trade names Anton, Graybeard, Cyclops, Borya-Anton), Vyacheslav Sliva (according to operations information, at the present time, he lives in Canada. There is information that, after his latest detention, Sliva decided not to tempt fate and to leave Russia for America to see Ivankov. However, Vyacheslav Marakulovich was compelled to pull up in Canada—the American immigration service reckoned that the country had no need for such a citizen).

Among Yaponets' friends is also one of the patriarchs of Russian organized crime, the 58-year-old king-

pin Vladimir Savoskin (Savoska), who controls the Sokolniki criminal group. In addition, Sergey Ivantsov (Ivanets), Boris Igumnov (Mongol), Pavel Zakharov (Tsirul), Aleksandr Zakharov (Zakhar), Andrey Isayev (Raspisnoy), Sergey Mikhaylov (Mikhas), the leader of the Mazutkino organized criminal group Aleksey Petrov (Petrik), Vyacheslav Slatin (Rostik), and also the now late Renat Iglanov (Iglan, killed in 1993) are Yaponets' close associates. Despite the fact that Yaponets is on the wanted list on the territory of Russia, intelligence sources have on more than one occasion noted his presence in Russia. In particular, in 1993, he was seen in Moscow, and in the spring of this year, in St. Petersburg. Vyacheslav Kirillovich had come to the city on the Neva allegedly to the funeral of three bosses of the criminal world who had been shot by persons unknown. Yaponets was also expected for the marking of the anniversary of the death of Otari Kvantrishvili, which was held in April of this year at the Golden Fleece restaurant. But Yaponchik never showed up there. It is appropriate to recall here that Kvantrishvili was a protege of Yaponets', and his murder was seen by many as an attack by the latter's opponents.

Lately, rumors have actively spread that Yaponets controls (or is attempting to control) part of Russia's oil and arms business. In particular, the now deceased above-mentioned Sergey Timofeyev, trade names, Sylvester or Serezha Novgorodskiy, was in fact one of the persons empowered to act for Ivankov, who controlled incomes from the oil business. Interestingly, two weeks after the attack on Timofeyev, rumors started to circulate around the capital that he was alive and had successfully left the country—again to see that same Yaponchik. The most interesting thing is that to this day, no one has ever officially refuted the information that Sylvester is alive and living abroad....

Speaking of rumors, it is worth mentioning that Yaponets himself has already "died" on more than one occasion. The latest rumor that Ivankov had been shot by a hired killer dates from April of last year. As in the previous instances, information on the untimely demise was not confirmed. Yaponets several times really did "sink to the bottom" in the interests of his own security.

Yaponets' Caucasus War

Speaking of the enmity of Yaponets and the Caucasus mafia, his war with the Chechen organized criminal group is worth separate mention. According to operations information, in the summer of 1992, at a gangster meeting, Yaponets called on the people loyal to him to wipe out their enemies from all of Russia. And it is not inconceivable that the next spiral of bloody gangster war that followed the meeting was provoked by exactly

this resolute decision. However, Yaponets later realized that total war would not resolve the problem of mutual relations with the Caucasus groups—the fighters' armed conflicts were only attracting the interest of the police, and the police operations that followed caused organized crime serious anxiety.

It is interesting that Ivankov's name is linked with a number of serious financial machinations, which took place at the beginning of the 1990's. It is said that practically every week, Ivankov's special couriers dashed about with attache cases of money from America to Moscow and back. Like the name of any crime boss, the name of Ivankov is surrounded by an aura of secrecy and mystery. It is said that Ivankov never allowed anyone to operate on his behalf without authorization given for this. Several people have allegedly met their deaths for having represented themselves as operating at Yaponets' behalf at gangster showdowns. Nevertheless, officers of the Moscow police have information that several personal observers of Yaponets' are operating in Moscow, constantly reporting to him on how representatives of this or that criminal group are behaving, whether they hold sacred the thieves' "concepts" and traditions, and whether they make regular monetary contributions to the "kitty." It is also said that Yaponets, through his people, has organized a "grev," (regular deliveries of food, narcotics, and cigarettes to incarcerated comrades) to the painfully familiar Vladimirovskiy Central.

According to police information, the New York arrest of Ivankov has called forth serious reverberations in Moscow and Russian organized crime. According to information in gangster circles, Ivankov's Moscow friends are convinced that their boss will be released very soon, as has already happened more than once.

The FBI Marks the Beginning of an Offensive Against the "Russian Mafia"

On Thursday, soon after the arrest of Vyacheslav Ivankov, representatives of the New York office of the FBI held a briefing especially devoted to this event, which was a momentous one, in the Americans' opinion. As they reported at the briefing, Yaponets and eight of his confederates are being charged with extortion. However, only five persons were arrested together with him as yet; the other three are "on the run."

In the words of Raymond Kerr [name as transliterated], the head of the city FBI department on fighting Russian organized crime, who was present at the briefing, Russian mafiosi have not only extorted large sums of money, abducted their victims, threatened them with physical reprisals, and frightened them with firearms, but they also have threatened to kill their relatives who

have remained in Russia. And their words have not diverged from their deeds—the father of one person who appealed to the FBI for help was beaten to death in Russia.

FBI assistant director James Kellstrom [name as transliterated], according to a ITAR-TASS agency report, assessed the arrest of Yaponchik and his confederates as "a major step in fighting the 'Russian mafia' in the United States." Opening the press conference, he said, "Today we are announcing the most important arrest that has ever been made in the course of the federal government's offensive on Russian organized crime in the United States." He also stressed that "the law enforcement agencies of Russia and Canada have rendered the United States invaluable help, which allowed the FBI to make the arrests. We are extremely grateful to both of these countries," noted the FBI assistant director.

Moscow, in turn, is also very satisfied with such a development of events, continued Kellstrom. According to him, the officer on duty that day at the Russian Ministry of Internal Affairs even exclaimed, "That is excellent news!" Then he added that Russia could bring forward against Ivankov additional charges of evasion of surveillance of the law enforcement agencies after his early release from incarceration in 1991.

At the same time, according to information on hand, the Russian special subdivisions on fighting organized crime did not take part in the arrest of the kingpin Vyacheslav Ivankov in the United States. Yesterday SEGODNYA correspondents attempted to get a commentary on Ivankov's arrest at the TsOS [expansion not identified] of the Russian Federation Ministry of Internal Affairs and at the Main Administration for Organized Crime; however, their representatives have still not made up their minds to unambiguously assess the action of the FBI and its possible influence on the criminal situation in Russia. However, in the opinion of specialists, a completely ambiguous relationship is taking shape with the Russian law enforcement agencies toward Yaponets. On the one hand, he is still listed as wanted, and formally on the territory of Russia is subject to immediate arrest. However, the article according to which Ivankov is wanted, 198 (2)—"malicious violation of the rules of administrative surveillance," as a result of additions and amendments introduced by Russian legislators into the criminal legislation, has already been revoked. So formally, the claims of Russian justice against Ivankov are very weak. And a mass of operations information on the unlawful—to put it mildly—activity of this person can clearly not be used in court.

Although, in the opinion of observers, it is not inconceivable that now Russian detectives and investigators,

thanks to information received by the FBI, will attempt to officially set it in motion. After all, as representative of the New York FBI office Raymond Kerr said, the father of one of the American victims of Ivankov's group was killed in Russia. On the basis of that one episode alone, Ivankov could become an accomplice to the crime. In addition, it is necessary to bear in mind that agents both in the United States and in Russia prefer to keep a large portion of the available information to themselves for the time being. It is possible that yesterday's silence on the part of the law enforcement structures could also be explained as intense mental labor on the Ivankov case. And probably, in the near future, the story of his arrest could become a very graphic example of the opposition between the official authorities and mafiosi who are known to all. There is no doubt that Ivankov will be defended by the best lawyers of Russia and the United States. But speaking in favor of the law enforcement agencies in the given instance is the federal legislation of the United States of America, which has more effective levers of legalization of information on illegal activity, more severe punishments, and systems for the protection of witnesses and victims. Taking all this into account, one can assume that Ivankov himself and his defense will try to get him turned over to the Russian authorities, which know a great deal, but cannot do much.

[Begin box]

What Draws "Kingspins" Abroad

According to data of the Ministry of Internal Affairs of Russia, there are more than 2,500 "kingspins" in the country. About a quarter of them are in colonies and about a third have settled in Moscow and the Central region. These people control the criminal groups and business in practically all regions of the country. Recently, as specialists have noted, their positions have been noticeably shaken.

On the one hand, an active changing of thieves' traditions is taking place, which leads, first of all, to a weakening of their control over legal and illegal business, and to their purely physical destruction by the upcoming young generation of gangsters, who do not acknowledge anyone's authority. Bullets from hired killers have felled Sultan Daudov, trade name, Sultan; Valeriy Dlukach, trade name, Globus; Sergey Timofeyev, trade name, Sylvester (although his death to this day remains in question); and many others. In addition, the patriarchs of the still Soviet criminal world have gone to their deaths—Gennadiy Korkov, trade name, Mongol; Yuriy Lakoba, with the same trade name (who in his lifetime even became the prototype

for the main hero of a box-office sensation), and Rafik Bagdasaryan, trade name, Svo.

On the other hand, the law enforcement agencies have also become activated. Having armed themselves with the presidential edict on the fight against gangsterism and the recent amendment to the criminal legislation, they have made several sensational arrests of "kingpins." The move from luxurious villas to prison plank beds has been made by such once-respected people as Pavel Vasilyevich Zakharov, trade named Tsirul, and a man with the same last name, Aleksandr Aleksandrovich Zakharov, trade name Zakhar, and Robinson Zakharyevich Arabuli, trade name, Robinzon....

Taking into account this situation, which is tense in every respect, many crime bosses and kingpins have preferred to leave their homeland and to settle abroad, mainly in the United States, Israel, Austria, and Germany. Thus, almost all of the leaders of the Solntsevo group have been conducting their business for several years from Austria. That is also where

the famous crime boss Vladimir Bilunov, trade name, Macintosh, resides. Kingpin Vyacheslav Marakulovich Sliva, trade name, Sliva, settled in Canada. Akop Yuzbashev, trade names, Papa and Akop (incidentally, they say that in a recent television interview he openly called himself a godfather of the Russian mafia) lives comfortably in Israel. It is worth mentioning that the local authorities to this day take a fairly tolerant attitude toward the presence on the territory of these countries of Russian mafiosi, explaining this by the fact that the latter are not doing anything reprehensible there. The loyalty of the foreign authorities is understandable: Together with the gangsters comes enormous money, which enters their economies. The sources of these millions and billions, as a rule, has not interested the local law enforcement agencies, by reason of the lack of the corresponding formal relations between Russia and these countries. It is not inconceivable that the arrest of Vyacheslav Ivankov will nudge the authorities of these countries to an offensive against the Russian mafia.

Political Issues

Yeltsin Acts To End 'Parliament-Government Crisis'

LD2606070895 Moscow ITAR-TASS in English
0651 GMT 26 Jun 95

[FBIS Transcribed Text] MOSCOW, June 26 (ITAR-TASS) — Russian President Boris Yeltsin on Monday begins consultations with members of the government and the State Duma on measures to put an end to the parliament-government crisis, the President's press secretary said in a statement received by ITAR-TASS today.

The statement says the President will take a number of steps and propose specific measures to liquidate the crisis. He is planning to use all existing political mechanisms, including the mechanism of the Agreement on Public Concord.

Yeltsin in Talks With Duma Factions

LD2606103095 Moscow ITAR-TASS in English
1005 GMT 26 Jun 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, June 26 (ITAR-TASS) — President Boris Yeltsin today began consultations with representatives of factions in the State Duma lower house on ways to overcome the parliament-government crisis.

The presidential press secretary, Sergey Medvedev said Yeltsin met Yegor Gaydar, the leader of Russia's Choice group, on Monday morning. Yegor Gaydar informed Boris Yeltsin about consolidation of democratic forces in the lower house of the Russian parliament aiming to solve the crisis which arose after the Duma passed a vote of no-confidence in the government and the government requested another vote on confidence in itself.

According to Sergey Medvedev, Yeltsin's meeting with Russia's Choice leader was the first link in a chain of consultations which the president plans to have with representatives of the government and the State Duma.

On Tuesday, the President is expected to meet Prime Minister Viktor Chernomyrdin and Duma Chairman Ivan Rybkin. It is not ruled out that the President will also meet members of the State Duma's Conciliatory Commission made up of the speaker and the leaders of all factions in parliament.

"The President is not interested in confrontation with the State Duma," Sergei Medvedev said responding to a request from ITAR-TASS news agency to specify his earlier statement on Boris Yeltsin's actions aiming to remove the crisis. "The head of state is looking for

realistic ways for constructive work, and he sees that such ways exist."

According to Sergey Medvedev, "the President is ready to work in the direction of identifying a way out of the obtaining situation while understanding that the advantage is his."

"However, Boris Yeltsin is prepared to act along normal channels through consultations and search of a compromise between the legislative and the executive branches of power," Medvedev said.

Yeltsin Signs Provision on Security Services

LD2306210795 Moscow INTERFAX in English
1554 GMT 23 Jun 95

MOSCOW, June 23 (INTERFAX) - On Friday Russian President Boris Yeltsin has signed a provision on Russia's Federation Security Service.

Head of the Service's Public Relations Center Aleksandr Mikhailov reported to INTERFAX that the provision confirms the service's tasks and structure. He said the staff of the Service will total about 76,000 people, according to the provision.

The main tasks of the Service include the struggle against subversive foreign intelligence activities regarding the Russian Federation, counterintelligence support of strategic facilities and the fight against terrorism and organized crime.

Yeltsin Signs Law on Personnel for Peace Operations

LD2306230195 Moscow ITAR-TASS World Service
in Russian 1451 GMT 23 Jun 95

[FBIS Translated Text] Moscow, 23 Jun — Today, Russian Federation President Boris Yeltsin signed the federal law "On the Procedure for the Provision by the Russian Federation of Military and Civilian Personnel To Participate in Operations To Maintain or Restore International Peace and Security," according to a report by the press service of the president of the Russian Federation received by ITAR-TASS.

The law was adopted by the State Duma on 26 May 1995.

Press Office Explains Yeltsin's Rejection of Two Laws

LD2606131395 Moscow ITAR-TASS in English
1234 GMT 26 Jun 95

[FBIS Transcribed Text] MOSCOW, June 26 (ITAR-TASS) — Russian President Boris Yeltsin on Monday

rejected the Federal Laws "On guarantees for the activity of the houses of the Federal Assembly (The Federation Council and the State Duma)" and "On amendments and supplements to the Russian Federation's Code on administrative offenses". The report of the press office of the Russian President received by ITAR-TASS says that the laws have been turned down on the basis of part 3 of Article 7 of the Russian Constitution. The President regards adoption of these federal laws inexpedient.

The first law passed in May stipulated that the Federation Council and the Duma, as well as committees and commissions of the houses of the Federal Assembly of Russia, have a right to invite to their meetings officials of state authorities, local government bodies, enterprises, institutions and organisations and to put questions to them in the established procedure on matters in their competence.

Officials called to meetings of the Federation Council, the Duma, committees and commissions of houses of the Federal Assembly are obliged to attend meetings at their invitation and to give explanations and supply the required information on items of the agenda. Their failure to show up, unless there are valued reasons, as well as the failure to supply required documents and answers to questions of houses of the Federal Assembly within stipulated terms entails administrative responsibility in the form of fines.

In connection with the passage of this law, the Duma made amendments and supplements to the Russian Federation's Code on administrative offenses. The Code was, specifically, supplemented with an article envisaging that disrespect for the houses of the Federal Assembly manifested in the failure of officials to attend meetings of houses of the Federal Assembly, their committees and commissions, unless there are valid reasons, as well as non-observance of terms stipulated by law for supplying the required documents and answers to questions of these bodies entail a fine.

The report of the President's press office also says that the President on Monday signed the Federal Laws "On income tax on natural persons" and "On tax on the profit of enterprises and organisations".

Medvedev: No Decision Yet on Ministerial Reshuffle

LD2306160495 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 23 Jun 95

[FBIS Translated Text] At its session today, the State Duma adopted recommendations to the president regarding individual members of the cabinet. It recommended firing of Interior Minister Viktor Yerin, Defense Minister Pavel Grachev and Deputy Prime Minister Nikolay Yegorov.

According to Sergey Medvedev, the president's press secretary, the Duma's recommendations will not have any immediate consequences.

[Begin Medvedev recording] The president will not make any decisions on personnel matters before the Security Council meets. In any case, he is not planning to, as far as I know. The situation must be studied thoroughly, the causes of the tragedy and why it was allowed to happen must be analyzed. Only then can any decisions be made. To put it briefly, look before you leap. [end recording]

Satarov on Possible Consequences of Duma's Dismissal

LD2506133595 Moscow INTERFAX in English 1255 GMT 25 Jun 95

[FBIS Transcribed Text] MOSCOW, June 25 (INTERFAX) — If the State Duma votes for no confidence in the State Duma for the second time on July 1 and if the Duma is dismissed by the Russian president, the Federation Council may be formed on the basis of a presidential decree because of the absence of a law on forming the Federation Council.

The Russian president's Aide Georgiy Satarov told INTERFAX that in such a case the president or the Federation Council could apply to the Constitutional Court to establish if the president had the right to issue a decree which would act until a corresponding law was adopted.

In line with the Constitution, the procedure for forming the Federation Council is defined by a federal law. However, during a year and a half of its existence the State Duma only managed to approve the law in the first reading.

Government Draft Approves 10 Percent Cut in Executive Bodies

LD2306162395 Moscow Mayak Radio Network in Russian 1500 GMT 23 Jun 95

[FBIS Translated Text] A draft decision of the Russian government which was approved today at a meeting of a cabinet of ministers commission on improving the structure of executive power bodies envisages a 10 percent reduction in the central apparatus of federal departments from 1 July.

Further on Proposed Staff Cuts

LD2306205995 Moscow INTERFAX in English 1554 GMT 23 Jun 95

[FBIS Transcribed Text] MOSCOW, June 23 (INTERFAX) - A draft government resolution provides for a

10% reduction in the Moscow-based staff of federal ministries from July 1, 1995. The draft was approved at a meeting of the Russian government commission on improving the structure of the executive. First Deputy Prime Minister Oleg Soskovets chaired the Friday meeting in Moscow.

Under the draft resolution, the staff of the federal ministries' branches in Russian territories is to be cut 15%.

It is not just a routine reduction in the machinery of State but its reorganization, Soskovets said at the meeting. The reform of the executive staff's work will require the elimination of the duplication of functions among the federal ministries by eliminating or merging some of them. In addition, the government plans to provide social protection for the ministry staff.

According to Soskovets, unjustified differences in salaries among the ministries must be eliminated. For example, the average salary at the Russian Ministry of Culture was 298,000 rubles in May, while it was 1,375,000 rubles at the Russian Committee For Precious Stones and Precious Metals.

At the second stage of the reorganization, in 1996, federal ministries' Moscow staff will be cut by 10%-12% and their territorial staff will be cut by 20%-25%.

Boris Pashkov, first deputy head of the Russian government staff, told INTERFAX that the July 1 reduction in the number of staff would only affect the already vacant positions.

The Moscow staff of the federal executive bodies is supposed to number 32,000 employees, but in fact there were only 30,000 people employed in May.

The reorganization will mostly affect the Russian regions, where federal ministries have a staff of 440,000 employees at all their territorial branches. They will begin to be discharged at the second stage of the reform, in 1996, said Pashkov.

Chernomyrdin Views No-Confidence Issue, Budennovsk

LD2306131595 Moscow ITAR-TASS in English
1259 GMT 23 Jun 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] SAMARA June 23 (ITAR-TASS) - "I believe we shall find a way out of the situation into which the country was put by the State Duma's decision on the motion of no-confidence in the government, the way out that would be acceptable to all branches of power. The government continues working normally". Russian Prime Minister Viktor

Chernomyrdin said this on Friday at a celebration meeting devoted to the 80th anniversary of Samara State University of Technology.

A considerable part of the Prime Minister's speech was devoted to the recent dramatic events in Budennovsk. "In those days and nights when the utmost was being done to free the hostages in Budennovsk we all felt united again". The Premier said. "We have rediscovered a sense of solidarity and involvement, and such feelings are not easily forgotten. Those who have volunteered to serve as a 'human shield' performed a veritable civic and moral exploit".

"The Budennovsk tragedy will perhaps be regarded as the beginning to new political times" the Russian Premier said.

It is yet difficult to sum up this change in one formula, but it is clear that the Russian state has been able to protect its citizens, to save more than a thousand lives, the Prime Minister notes. "And whatever may be said, this has been achieved by the state power which worked smoothly and effectively in extreme conditions", Chernomyrdin said.

Chernomyrdin Meets With Journalists in Samara

LD2306174895 Moscow ITAR-TASS in English
1720 GMT 23 Jun 95

[By Boris Belyakov and Andrey Shtorkh]

[FBIS Transcribed Text] SAMARA, June 23 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin today said his trip to Samara, a major industrial centre on the Volga river, was for him a "homecoming". Chernomyrdin as a young man studied in this city and graduated from Samara State Technical university in 1966. Today the university marked its 80th anniversary and the Prime Minister attended the celebrations.

Chernomyrdin later summed up the results of his visit here at a meeting with journalists. He spoke in detail about the lessons of Budennovsk and the latest political crisis in Russia provoked by the State Duma passing a vote of no confidence in the Government, and the Governments's response in calling for a new vote.

Viktor Chernomyrdin first addressed journalists directly upon arrival in Samara. He said "I am determined to work, and we shall continue to do our work as we did it before because our responsibility before the people, before the country is too great to allow time for squabbles".

The Prime Minister visited AO Aviakor, one of the biggest aircraft manufacturing enterprises in the region. Chernomyrdin inspected the Enterprise's products put

on display on the assembly shop floor, including the Tu-154 and Molnia airplanes, as well as their modifications. He talked with the workers and then held a conference with the managers of the local industrial enterprises of the aerospace complex to discuss the complex problems facing the industry.

The Prime Minister spoke at length about the hostage-taking in Budennovsk and the internal political situation in Russia also in his address to the faculty and students of the Samara technical university. "I am confident that we shall find a way out of the crisis into which the State Duma decision on no confidence in the government plunged the whole country, a way that will be acceptable to all branches of power. The government continues to work normally," the head of government said.

The Prime Minister stressed the same idea during his later meeting with journalists. Russia does not need a conflict between government and State Duma, he said responding to an ITAR-TASS question about relations between the Cabinet and the Duma in light of the latest developments. According to the Prime Minister, "we shall find a solution to the crisis" on July 1 when the Duma reconsiders its stance on confidence in the government.

Chernomyrdin noted that at Thursday's meeting of the Cabinet behind closed doors, all its members spoke unequivocally about the need to prevent any further development of the conflict with the lower house. It is most likely that the State Duma will not be disbanded, the Prime Minister said. "The state will never benefit from confrontation between power structures," Chernomyrdin stressed.

At the Samara Technical University, the Prime Minister also discussed the recent dramatic events in Budennovsk. "Those days and nights when everything possible and impossible was done to free the hostages in Budennovsk, we all felt as a single nation," Chernomyrdin said. "We rediscovered a sense of solidarity, of community, and this cannot vanish without a trace. Those who volunteered to act as a human shield, did a genuine civic and moral feat of valour," he said.

According to the Russian Prime Minister, "the tragedy and grief of Budennovsk will probably be seen as a reference point of a new political era." It is difficult at this point to define the change in a meaningful formula, but one thing is clear: the Russian state was able to protect its citizens and to save more than one thousand lives. "Regardless of what would be said, it was done by the state power which worked in extreme conditions and, in the final account, in concert and efficiently," Chernomyrdin stressed.

During his meeting with journalists, Chernomyrdin commented on peace talks in Grozny. He stressed that for the first time since the beginning of the Chechen conflict, the federal authorities opened a normal constructive dialogue with Dudayev's representatives. "I told the Russian delegation not to leave the talks in Grozny until further notice," he said. "I will do everything in my power to put an end to bloodshed in Chechnya," Chernomyrdin said.

The Prime Minister stressed in particular the importance of the Dudayev's group condemnation of the acts of terror and the signing of a documents pledging the handing over of Shamil Basayev as a criminal to federal authorities.

As concerns the meeting of the Security Council of the Russian Federation, which is scheduled for June 29 to discuss the lessons of the shocking events in Budennovsk, the head of government said "it will be a very serious discussion". The country can no longer live in conditions where terrorists get to carry out all their threats even when the competent bodies know about their intentions in advance, he stressed. Despite his straightforward statement the Prime Minister declined to name specific persons or agencies to blame for allowing the act of terror to happen in Budennovsk.

Chernomyrdin Condemns Duma 'Campaign' Against Government

*LD2406082795 Moscow Mayak Radio Network
in Russian 0640 GMT 24 Jun 95*

[FBIS Translated Text] A plenary sitting of the "Our Home is Russia" is taking place in Moscow today. Our observer Yuliy Semenov reports over the phone:

[Semenov] Good morning. As you've just said, the council of the "Our Home is Russia" socio-political movement is sitting at the Russian government's Economic Conditions Center on Sakahrov Prospect in Moscow. The council has many members, so there are about 100 people here. There are also many guests here, journalists and quite a lot of well-known people from the government and other power structures and Russia's regions. The main aim of the sitting is to approve documents to give an organizational framework to the movement.

The sitting started rather unusually. Its leader, Russian Prime Minister Viktor Chernomyrdin, proposed that the sitting adopt two statements prompted by the situation in the country. The first concerned the crisis between the parliament and the government and the other a settlement of the conflict in Chechnya.

The prime minister spoke sharply about politicians, especially those in the Duma who are undermining stability and power in the country when there are just a few months to go to the elections at which voters will resolve the issue of power. Chernomyrdin described as puppeteers those who initiated the campaign in the Duma and whom people know from the days of the previous Supreme Soviet. He believes that these people and other parasitical weeds are hindering the creating and strengthening of civil peace in the country, stability, the reforms policy and a peaceful settlement of the Chechen conflict.

The council adopted both statements. They will probably be published and we will be able to read them in detail.

Right now the council is adopting the documents which I have already mentioned. Several well-known people have also joined the Council, for example, Leonard Vitt, head of the executive committee of the movement, Sergey Belyayev, the chairman of the State Committee on the Management of State Property, Aleksandr Shokhin, a Duma deputy and the former vice-premier, well-known journalist Yuriy Syzov and other people. Nikolay Golovnin was elected senior secretary of the Council. The sitting is still under way.

Chernomyrdin Not To Ask Yeltsin To Fire Ministers

LD2406101595 Moscow ITAR-TASS World Service in Russian 0840 GMT 24 Jun 95

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Translated Text] Moscow, 24 Jun — Viktor Chernomyrdin, chairman of the Government of the Russian Federation, believes that at the forthcoming session of the Security Council, "There will be some serious talking and, evidently, serious conclusions." However, he does not at the present time intend to make a representation to the president regarding the dismissal of the heads of the power-wielding ministries, as the State Duma recommended yesterday. He told journalists this during a break in the session of the council of the "Our Home is Russia" movement, which he heads.

"I believe on the whole that now is not the time to engage in these battles. Apart from harming the country, this will not achieve anything," he added. The prime minister expressed his disagreement with the idea that "once an incident has occurred various people should be dismissed at once."

The prime minister admitted, nevertheless, that at the Security Council session there would be some serious

talking in connection with the liability for the events in Budennovsk and in Chechnya as a whole. "There will probably also be serious conclusions," he stressed.

Viktor Chernomyrdin reaffirmed that he does not support the idea of dissolving the State Duma and expressed the hope that it will be possible to avoid this. "I think serious people will be found and we need to do everything possible to work in a constructive way." He said that he would definitely be contacting the Duma leadership and individual factions prior to 1 July, when a repeat vote on confidence in the government is to take place.

Chernomyrdin Retains 'Personal Control' of Chechen Talks

LD2406093995 Moscow ITAR-TASS in English 0905 GMT 24 Jun 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW June 24 (ITAR-TASS) - Russian Prime Minister Viktor Chernomyrdin told reporters today that he would continue personal control of the settlement talks that are in progress in Grozny now.

Chernomyrdin said the electoral movement Russia-Our Home, of which he is chairman, recommended him "to establish permanent personal control of the progress (of the talks) and if necessary lead the delegation of the federal authorities to the talks".

Chernomyrdin informed reporters that the federal delegation is to return to Moscow today for consultations with him.

"We will not stop, we now need to reach the point of local rule elections in Chechnya and ensure conditions for further normal, democratic elections," Chernomyrdin said.

He pointed out that the federal authorities had tried to start the negotiation process earlier, but the Chechen side rejected it.

The situation for the first time allowed dialogue at the negotiating table, although Moscow had not been eluding it earlier, Chernomyrdin said.

Chernomyrdin Against Dissolution of State Duma

LD2406103395 Moscow ITAR-TASS in English 1018 GMT 24 Jun 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW June 24 (ITAR-TASS) - Russian premier Viktor Chernomyrdin told

journalists on Saturday at an interval between sessions of the Council of the "Our Home is Russia" movement which he heads that the Russian Security Council "will have a serious discussion and draw serious conclusions" at its coming meeting.

However, he does not intend now to make a representation to the president on sacking the heads of the power-wielding ministries, as the State Duma (Russian parliament lower chamber) recommended on Friday.

"I believe that it is not time now to wage such battles. This will yield nothing, apart from harm to the country," he added. The premier disagreed with those who want to sack people right away and on any occasion.

Nevertheless, the premier admitted that the Security Council will have a serious discussion on responsibility for the events in Budennovsk where Chechen terrorists took over 1,000 hostages as well as on Chechnya as a whole. "Serious conclusions will be evidently drawn," he stressed.

The premier reaffirmed that he does not favour the State Duma's dissolution and expressed hope that it would be possible to avoid this. "We should do our best to work in a fruitful spirit," he stressed.

Chernomyrdin noted that he would make contacts with the Duma leadership and some parliamentary groups before July 1 when the lower house is to hold a confidence vote in the government.

Chernomyrdin Comments on Chechen Talks, Media's Role

LD2506183695 Moscow Russian Television Network in Russian 1600 GMT 25 Jun 95

[From the "Vesti" newscast]

[FBIS Translated Excerpt] In his country residence today, head of the cabinet Viktor Chernomyrdin met members of the government delegation that took part in the peace talks in Grozny. [passage omitted] [video shows Chernomyrdin, delegation member Arkadiy Volskiy, and two other people in front of a chalet in the woods, a caption reads that the pictures are provided by the government information directorate]

[Begin recording] [Chernomyrdin] Above all we have taken stock of the talks held in Grozny. The talks were, let me put it bluntly, not simple. They were complicated. But I would describe the preliminary results of the latest talks as not bad. A foundation has been laid. I believe that we must continue our talks. We have agreed to increase the powers of our delegation which will continue the talks. We have now agreed with the members of the delegation on certain constant and

limiting factors and our further tactics, let us say, strategy in all affairs. We must also consult the president and report on all the issues that we are facing, which we need to discuss and agree. I think that the scheduled two-day break means that we must start the talks some time on 27 June, and [words indistinct] on 28 June. I think we will hold the talks, we will opt for the talks and we will discuss everything. We will look for a political solution to this problem, only a political solution. But I wish to say it again, that this is possible provided the other side matches our willingness. There is no point in even hoping for simple solutions.

The situation is serious, very serious. Therefore, the media coverage must also be appropriate. If for instance, we agree on something, the fact must be reported. Everything else on what we think and what we want is not important. One can speculate about those things endlessly. But there must be no ballyhoo. There is no point in stirring things up. We must not try to pass the desirable for reality, as we often do. On the contrary, what we must do is find a solution, put it into action, agree on things, and take decisions. Only then things should be reported by the media.

[Volskiy] I think that in a week we will be able to say more to the press and others. [end recording]

Chernomyrdin Interviewed on No-Confidence Vote *LD2506185595 Moscow NTV in Russian* *1700 GMT 25 Jun 95*

[Interview with Russian Prime Minister Viktor Chernomyrdin by correspondent Yevgeniy Kiselev, in an unidentified office setting, date not given — recorded]

[FBIS Translated Text] [Kiselev] Viktor Stepanovich, tell me please how you took the State Duma decision on the vote of no confidence in the government?

[Chernomyrdin] How did I take it? With regret. I just regret it. I do not at all regard my own work as being nothing but good. I do not at all believe that we have done everything. I do not at all believe that we have no shortcomings. But at the same time, I have to say that the government is starting, or rather has started, to work as a government. I must say the government is united. The people in it have changed. One cannot fail to notice that the country itself is also undergoing changes. And against this particular background, at this particular moment, I do not think steps of this kind should be taken.

Also, I do realize that these are all political games, it is all politics. One could have understood and condoned all this had it not been for the elections later this year, had the elections been a long way off. But we have elections

in December. The law on elections to the State Duma has already been signed. So why do it now, what for?

[Kiselev] Well, why do you think?

[Chernomyrdin] Well, I know perfectly well why. It is all for the sake of creating a different setting for some. This is once again a fight for votes, a struggle to present oneself in a somewhat different light. I have said it once, and now I can say it again: There are too many familiar faces there.

[Kiselev] Like who?

[Chernomyrdin] I will tell you who. The Supreme Soviet — the former Supreme Soviet — was brought to the brink by the same people who are pressing so forcefully now, those who have been so active this time round. Here once again we see Mikhail Lapshin, Gennadiy Zyuganov, Vladimir Isakov, and Sergey Baburin. It was they who took it all to the brink. I do not believe this will go unnoticed. People will see and understand. These people's hopes of raising their own standing in the eyes of the public are vain.

[Kiselev] So what do you think will happen on 1 July, when the issue of confidence in the government will be debated at your behest?

[Chernomyrdin] I think people should come to their senses. I am no proponent of any frontal attacks at this moment. We will be working with the State Duma, with the deputies. I will have meetings with these leaders, too. The country does not need this at present. It definitely does not.

[Kiselev] So you mean to say you will be conducting some work with the factions and urge them to change their stance, you will be engaged in some common lobbying?

[Chernomyrdin] Yes, we certainly will. We will work normally and we will explain to them...[pauses] You only had to listen carefully to see that all that was said during the no confidence debate was going directly against the decisions they had themselves made. After all, everything we are doing now we are doing in keeping with the laws passed by the State Duma. So, what do we see? The State Duma passed the laws, set the parameters for the the work of the government — and now the State Duma is turning it all upside down.

[Kiselev] But do you not think that in a way it will in fact benefit the government if the State Duma once again passes a vote of no confidence in it. By doing this — the president has made it quite clear — it will basically sign its own death warrant. A new election will then be called, and in a way this will untie your hands and make your work easier.

[Chernomyrdin] You know, right now I do not want this. This should not happen. The State Duma should pass laws. We have had enough of provisional resolutions, instructions, and decrees. What good will that do? Why should we once again opt for scenarios that can do nothing but aggravate the situation? I do not want this. And here is another reason why I do not. Why did the government make this move and put forward this proposal? Because we could not stand the thought of another three months of working in suspense, waiting for the Duma to take a second vote on confidence sooner or later. There is no time to lose. The knot has to be cut. But personally — and I am speaking personally here — I would like the outcome to be normal.

[Kiselev] You have criticized very sharply the so-called power- wielding ministers for mistakes made during the operation in Budennovsk. The president has also let it be understood that some personnel changes in the government are possible in the wake of the Security Council meeting next week. Do you foresee any new power- wielding ministers, any new figures appearing in your government?

[Chernomyrdin] I would not like to forestall this. A commission is working, and it is working seriously. But I am quite convinced that incidents of this kind should not be allowed to happen. The country cannot live in this mode, waiting for something to happen now here, now there. We must prevent these things, and this responsibility lies with some ministers as well, with those who have to...

[Kiselev, interrupting] Do you realize that these ministers are currently extremely unpopular, and that in the eyes of the people this in a sense undermines the government's reputation — the fact that despite their past and present mistakes both Viktor Yerin and Pavel Grachev always get away with it and stay on. I beg your forgiveness, but there are no more unpopular figures in the eyes of the people than these two.

[Chernomyrdin] Once again, there is only one thing I would like to say — I do not want to forestall anything. There has to be some serious sorting-out and some serious talking. What it all comes to is up to the Security Council, the president, and ourselves to decide. But let me reiterate — we have no right to allow these things to happen.

[Kiselev] Well, then, thank you Viktor Stepanovich.

[Chernomyrdin] Thank you.

Chernomyrdin Movement Voices 'Concern' Over No-Confidence Vote*LD2406093595 Moscow ITAR-TASS in English
0841 GMT 21 Jun 95*

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW June 24 (ITAR-TASS) - The board of the movement Russia - Our Home (ROH) called for a moratorium on all political actions that may damage the legislative and executive powers.

The moratorium is proposed for the period remaining before Russia's parliamentary election to be held in December 1995.

The movement's address was read at today's meeting of the ROH board by Prime Minister Viktor Chernomyrdin, the leader of the new electoral bloc.

The statement says Russia would be equally affected by dissolution of the State Duma and resignation of the government, the two feasible outcomes of the State Duma-passed vote of no-confidence for the government.

Russia - Our Home expresses deep concern over the vote of no-confidence. The statement says this move worsens Russia's political situation and weakens power and its financial and economic policy.

The statement says the State Duma's act is in fact designed to wreck the peace talks now in progress in Chechnya.

Most of State Duma deputies want a power solution to the Chechnya crisis.

With this in mind, the government motioned another confidence debate at the State Duma as the sole way out of the political crisis.

The statement calls on President Yeltsin to use his constitutional powers to facilitate a compromise.

Movement Backs Chechnya Talks*LD2406093195 Moscow ITAR-TASS in English
0901 GMT 24 Jun 95*

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW June 24 (ITAR-TASS) - The Council of the "Our Home is Russia" (Russian abbreviation NDR) movement expressed its support for the process of a peaceful settlement in Chechnya at its meeting on Saturday and approved actions taken by the movement's chairman Viktor Chernomyrdin, the head of the Russian cabinet.

A statement approved by the council, which was read out by Chernomyrdin, expresses conviction that calculations

of those who stake on destabilisation in Chechnya, will fail.

A political settlement in the Chechen Republic, the document notes, can be reached only on the basis of a dialogue of all constructive forces in Chechen society.

The NDR expresses readiness to promote, with all possible means, the development of the negotiating process on a future of the Chechen status in that inseparable part of the Russian territory.

The council is ready to promote preparations and holding of elections to local bodies of self-government, then to the Chechen parliament and later to the All-Russian legislature, the statement says.

The talks, now underway in Grozny, open a road to these democratic changes. The council recommended that premier Chernomyrdin establish permanent and personal control over their progress and head (if need be) the side representing federal authorities at the talks.

'Our Home' Plans Aug Congress*LD2406113095 Moscow ITAR-TASS in English
1101 GMT 24 Jun 95*

[By Lyudmila Aleksandrova and Andrey Shtorkh]

[FBIS Transcribed Text] Moscow June 24 (ITAR-TASS) — The second congress of the movement Russia - Our Home (ROH), to be held on August 25-September 3, will adopt an electoral platform and nominate candidates for the State Duma.

This decision was passed today at the meeting of the ROH board, attended by the movement's chairman Prime Minister Viktor Chernomyrdin.

The board meeting passed resolutions on the parliamentary and governmental crisis, which was brought about by the State Duma's vote of no-confidence for the government, and on peaceful settlement in Chechnya.

The former resolution calls for a moratorium on political moves that can cripple Russia's legislative and executive powers. ROH proposes that the moratorium be in place until the parliamentary election ahead in December.

The latter resolution authorises Chernomyrdin for permanent personal control of the talks that are now in progress in Grozny and for chairmanship of the federal delegation to the talks if this is dictated by the situation.

The board meeting discussed economic slates of ROH. Outlining the slates, State Duma member Aleksandr Shokhin said the movement's platform should not be taken for the government's programme.

The programme of the government reflects its coalition composition and the compromise between various movements that are represented in the government, Shokhin said.

The draft platform will be presented to regional branches of Russia-Our Home, discussed at the movement's conference and adopted at the congress.

The focus of speeches at the board meeting was on the political stability in Russia as the key aim of ROH.

"Russia needs political stability, not political leapfrog," said Lyudmila Zykina, a popular singer, who is on ROH's board.

The board wants ROH to be seen by the public as a national organisation rather than a movement of placemen, said Vladimir Bashmachnikov, of the Union of Land Owners.

Chernomyrdin said in a closing address that the movement's priority goal is to convene professionals in it.

Time is pressing, and candidates for the State Duma need be nominated soon, Chernomyrdin said.

He said an important task of Russia-Our Home is the implementation of a model for relations between the movement and the government. The model should rest on the principle of critical solidarity.

"Our movement will be maximally scrupulous over every point," Chernomyrdin said.

Chubays: Government Prepared 'For Any Scenario'

LD2506083195 Moscow ITAR-TASS in English
0747 GMT 25 Jun 95

[By Mikhail Mzareulov]

[FBIS Transcribed Text] WASHINGTON, June 25 (ITAR-TASS) — "Russia is running a high risk of a parliamentary crisis," said first Vice-Premier Anatoliy Chubays, commenting on the situation in Moscow following a no-confidence vote in the government passed by the State Duma. Chubays arrived in Washington for talks with IMF leaders which were held on Saturday [25 June].

In an interview with ITAR-TASS Chubays said that the parliamentary crisis is the least thing wanted by the government now since realistic and marked transformations had begun in the economy. To continue these transformations, political stability is needed which might be shattered by such moves, the vice-premier said.

"It looks like the influential political forces have been acting on the principle: 'the better - the worse.' The

better the situation in the economy and Russia is, the worse it is for their election prospects," Chubays said.

In his opinion, the vote of confidence in the government was not a thoroughly planned political move, but was rather the result of an emotional impact. Chubays believes that a second vote scheduled on July 1 will be "serious" rather than "strictly demonstrative".

However, he added that the government is "prepared for any scenario."

Gaydar Welcomes Yeltsin's New Policy on Chechnya

LD2606124695 Moscow Radiostantsiya Ekho Moskvy
in Russian 1200 GMT 26 Jun 95

[FBIS Translated Text] Yegor Gaydar, leader of the Russia's Democratic Choice bloc, met with President Yeltsin today. Gaydar informed Yeltsin of the work to consolidate democratic forces in connection with the approaching elections and also discussed a range of other very important issues with him:

[Begin Gaydar recording] I believe that the key point here is the president's consent to constructive negotiations over Chechnya. Certainly this changes the situation in Russia and the position of the authorities considerably. We have given this turning point our support. I believe that it does at least create a basis for dialogue.

As a political force, as a faction, it is in our interest to have our point of view properly communicated to the representatives of the authorities, and to the president first of all, of course. [end recording]

Officers Union Leader Calls For Dismissal of Government

LD2406133895 Moscow INTERFAX in English
1331 GMT 24 Jun 95

[FBIS Transcribed Text] MOSCOW, June 24 (INTERFAX) - Addressing a rally in Moscow's Theater Square on Saturday, the leader of the opposition Officers' Union Stanislav Terekhov called for supporting the State Duma decision to dismiss the government.

Devoted to the 50th anniversary of the victory over Nazi Germany, the rally gathered about 500 people. It was attended by members of the Union of Soviet Stalinists, the Communist Party and the Working Russia movement.

As Terekhov told INTERFAX, his organization intends to "give full support to the call for impeaching the president and to the State Duma's decision to dismiss the power ministers Yerin and Grachev."

Patriarch Views Church-State Relations

954F2589A Moscow LITERATURNAYA GAZETA
in Russian 15 Jun 95 No 24, pp 1, 11

[Interview with Aleksiy II, the Patriarch of Moscow and All Russia, by LITERATURNAYA GAZETA editorial staff and commentators; offices of LITERATURNAYA GAZETA in Moscow, date not given: "Aleksiy II: 'The Church Called for Peace in Chechnya Three Times'"]

[FBIS Translated Text] **ALEKSIY II.** Esteemed editor in chief, LITERATURNAYA GAZETA staff, ladies and gentlemen! I am glad to be here, and although it was difficult for me to find time for it, I made an effort to do it. I am frequently asked: Where do you get your energy? I usually reply: From conducting divine services and communicating with people. This is my first meeting with a journalistic collective in an editorial office, and I am glad it is taking place in LITERATURNAYA GAZETA, which I have been reading for 25 years. I wish with all my heart for this newspaper to continue publishing and do its needed, noble work, despite all the difficulties and adversity that many publications in Russia are experiencing these days.

A. UDALTSOV, editor in chief. Your Holiness! Over the past few years we have been seeing an active revival of the Orthodox religion in Russia. Could you share with us your observations as to what the preliminary results of this revival are? How did it influence the moral state of the society?

ALEKSIY II. The Russian Orthodox Church has lived through very hard decades. But it has always stayed with the people. Both joys and troubles of our motherland were our joys and troubles. Although the church was separated from the state, it never separated itself from society. You know, on the eve of the war, the church was practically crushed. There were about 100 parishes and four bishops left in the Russian Federation. Nevertheless, when calamity was visited upon our land and war began, on the very first day the patriarch locum tenens, Metropolitan Sergiy, appealed with a message to the all-Russia flock, calling on all to rise like one in defense of the motherland. During the difficult war times, the church was with its people and carried its patriotic service.

After the war, there was a revival of the Orthodox religion in Russia. The number of churches reached 14,000. But later their number began to diminish sharply through the administrative fiat of the state authority. The return to our history began at the time of the celebrations of the 600-year anniversary of the battle at Kulikovo. At the time, articles appeared in many newspapers,

which brought readers the historic events of the times of Reverend Sergiy and Prince Dmitriy Donskoy. I had the opportunity of participating in the celebrations in Tula Oblast, on Kulikovo Field. This was the first time that people had seriously turned to their spiritual history.

The second extremely important event was the 1000-year anniversary of Russia's conversion to Christianity. Essentially, it was Russia's second baptism, because our people began to realize that we have a common Kievan font.

The role of the church in society truly changed when the all-Union law on the freedom of conscience was adopted. I was then a deputy of the All-Union Congress of People's Deputies. And in the process of drafting the new legislation, we had many arguments. Some lawyers believed that the 1929 statute on religious associations was so perfect that it did not need to be changed. But in essence it was discriminatory. For instance, it prohibited teaching or giving any church dogma instruction to persons under 18. Children were not permitted to attend church services, especially at Easter. The church was also prohibited from carrying out charitable activities. The new law on the freedom of conscience helped the church to return to these formerly traditional activities. We began to revive the church's social service. This is not easy, because those who in the past did social work are now in a better world. We created two special departments in the patriarchy's structure—the department of charity and social service and the department of catechism and religious education.

We have approached the time of freedom in a weakened state. We do not have enough priests, people who could teach religion in schools. Therefore, we took the road of creating parochial Sunday schools in each parish. Thousands of them have been started by now, not only for the children, but also for their parents. I try to meet with these children when I visit different regions; I look in their eyes, and every time I feel convinced that we are not going to lose this generation. For the country, for the people, for the church.

Charity.... It began with modest visits to hospitals. Then places of incarceration, nursing homes. Several years ago we started a nursing school at the First City Hospital. On the school's opening day, I was very impressed by the faces of the girls who came to study there. I think the nursing profession is not just a job. It is important that it be done with heart and soul, with compassion, for it to be a calling.

We visit places of incarceration. One of the first for me was a prison zone near Leningrad, which I visited when I was still a metropolitan. The prisoners there collected

18,000 rubles [R] and asked the eparchal administration to assist them with building a church in the zone. I went there to bless the laying of the foundation stone of the future church. To be frank, I was uneasy going there. I was worried whether I would find a common language with those who had committed grave crimes. The people kept there were mainly repeat offenders. I performed the ceremony of blessing the laying of the foundation stone, spoke to the gathering, then began to answer questions. They were most diverse, and some very profound.

About three weeks later, I was elected patriarch. And I received a cable from this prison zone, written in church—almost theological—language. During the laying of the foundation stone of the church, I had promised that I would consecrate it when ready. And I performed the consecration about a year and a half ago. I must say that although the church is quite small, it has changed the gloomy landscape of the zone. During the consecration, the church was filled to capacity during the service—76 persons came for communion. I saw the faces of people who had begun to actively take part in church life, in religious services, changed.

Then I visited a correctional labor camp in Saratov. This camp's officials asked me to petition for a release of the churchwarden of a magnificent church built there. I called him up and asked: What are you here for? He says: "I stole icons from churches. And now I did all the painting inside this whole church. And I promise that in the future I will help in the restoration of ruined sacred places." Having received this assurance, I petitioned the president, and this reborn man was released.

We also signed an agreement with the ministries of defense and internal affairs on the pastoral care for all military servicemen of Orthodox faith. At the same time, I always emphasize that all traditional religions in Russia should enjoy equal rights. If a person serves in the military and he professes Islam, he too must have the opportunity to speak to his spiritual guide. There are many complex problems in the military, frequent instances of suicide. And a meeting with a priest often can prevent a tragedy.

Over five years of my service as patriarch, 32 eparchies were opened and more than 8,000 Orthodox churches. Their number has reached 16,000 now.

We also opened 289 monasteries, two academies, four seminaries, and 23 theological colleges. They graduate priests. The difference between seminaries and theological colleges is that seminaries are four-year, and theological colleges, two-year institutions. We are short on professionals, and we have to put them through an accelerated academic schedule.

The process of recovering and reopening churches and construction of new ones is running ahead of our abilities to train priests.

There are currently 267 churches in Moscow where divine services are held. I have to point out that in monasteries, especially those located in rural areas, we see a return to the old tradition: creation of agrarian entities. In the past, people who came to the monasteries were mainly Russian peasants, and these people brought to the monastery their experience of working the land. They performed miracles, frequently with infertile soil. Take the Valaam Monastery—pilgrims and monks carried in fertile soil on their backs from the mainland. In the old times, they grew up to 60 varieties of apples here. I was recently asked whether there are still miracles today. Yes, there are. The revival of church life is a modern-day miracle. Visiting the Far East and Far North, I can attest that this miracle is happening everywhere, despite economic difficulties. And I have always received a charge of energy from meetings with the people. And in the provinces you find that people have retained more kindness to each other, empathy, cordiality. That is why I like the Russian provinces. By the way, these trips are a new item in the patriarchic service. My predecessors both could not and did not go on such trips. Patriarchic service was called a life in a golden cage. But, as you can see, I have flown the cage....

Yu. SOLOMONOV, deputy editor in chief. Your Holiness, I will ask a question that is the talk of the town. It has to do with the activities of the Aum Shinrikyo sect and other organizations. We have read a lot about it. And there are many who were shaken by this incident.

Will not, however, the struggle against nontraditional religions result in limitations on the freedom of conscience? Some are afraid that a law will be adopted in such a form that it will, so to say, measure with the same yardstick both those who in fact sow trouble and evil, and those who came, as they maintain, to sow the wise, the good, and the eternal. One such missionary once told me: "Your deputies are working on such amendments to the law on religious organizations that on the basis of these amendments even the Orthodox Church could be banned." Seriously speaking, however, does this not bring us to the conclusion that today in our country all confessions are equal, but some are more equal than others?

ALEKSIY II. I think that traditional religions in Russia, which include Orthodoxy, Islam, and Buddhism (and in western regions Catholicism and Protestantism) should enjoy equal rights.... As members of the Orthodox

Church, we disagree with all sects. At the same time, we do not interfere in the secular state's affairs.

With respect to new sects and those coming here now, however, the state should adopt a sensible and firm approach. There should be an organ under the Ministry of Justice or the State Duma that would study what a particular preacher brings—not from the standpoint of religious dogma, but from that of commonly accepted norms of law and morality. Last year, during my meeting with President Clinton, I said that we should watch attentively who is coming to us. After 70 years of prohibitions, people trust any preacher who calls himself religious. Therefore, we should know whether this preacher carries goodness, peace, accord, and love into people's souls, or bitterness and confrontation. Take, for instance, the White Brotherhood. I met their members in Saratov and Yoshkar-Ola. They left a horrible impression on me. They apparently were under the influence of hypnosis or some psychotropic substances—they had absolutely insane eyes. They damned everybody and everything. But how can any religious association propagate hate or madness?

Foreign missionaries and preachers are today in an even more privileged situation than we are. Because they have at their disposal immense money. I am convinced that a strategic task has been set for them—to divide Russians instead of enlightening them. By confessional principle in addition to all others. We are already divided by political views and ethnic affiliation. And division by religious affiliation may complete the division of our people. Therefore, we need to study knowledgeably the sects that are coming here. The latest Bishop's Assembly, which was held in the end of last year, we devoted particular attention to the revival of Orthodox missionary activities, which is the best way to protect people's souls from pseudo-teachers.

A U.S. ambassador to Russia told me once that there is an opinion in America that the Russian Orthodox Church strives to become a state religion and therefore it objects to missionaries, seeing them as competition. I reassured him: We do not want to become a state church. The church should be separated from the state. If it becomes a state church, sooner or later it will turn into a state institution. The church must be free from government supervision and appraise events from a moral, spiritual standpoint. For instance, I issued statements on the subject of Chechnya three times, another statement jointly with the Mufti that bloodshed should be stopped, and spoke on this subject many times. But spiritual leaders are not often listened to.

Yu. STROYEV, executive secretary. Your Holiness! I have two questions. There is the Russian Orthodox

Church Abroad. In Russia, there is the Catacomb Church, and finally, the Old Believers.

What are their relations with the Moscow patriarchy? And second. What is your opinion of ecumenism?

ALEKSIY II. Regarding Old Believers.... This is a tragedy that began after the schism in the seventeenth century. The tragedy we are still living through, because they are our blood brothers. We had to expend a lot of effort during the last five years, because there were attempts to split the church. To split it in such a way that would create an autonomous, independent church in each emerging independent state. I always said that there cannot be 15 independent local churches in 15 new states. And we have managed to preserve unity.

As to the Catacomb Church, there used to be such a thing. But today there is no reason to go into the catacombs. And anyway, over the recent decades nobody has been executed for faith anymore. This was a phenomenon of the 1930's. And now shady entrepreneurs want to appropriate the glory of that catacomb church of the 1920's.

As to the Russian Church Abroad, I believe that this is also a tragedy that separated our people living in Russia and those who left for the West after the revolution. I think that the majority of parishioners and rank-and-file clergy of the Russian Church Abroad are ready for unification. But the Synod of the Russian Church Abroad is very conservative. Among the 12 members of the Synod, nine are more than 80 years old. And they simply cannot imagine the changes that have taken place in Russia over this time. They live by old categories.

When (in the fateful days of 1991) a Congress of Russian Compatriots was held, this forum asked me and Metropolitan Vitaliy a question: Is unification possible? I replied that we are ready for any negotiations, any cooperation. Unfortunately, accusations continue to fly that the Russian Orthodox Church cooperated with the godless Soviet power. Accusations fly against Metropolitan Sergiy, who in his declaration of 1927 wrote: We want to be Russian Orthodox and accept that the Soviet Union is our motherland, whose joys are our joys, and whose sorrows are our sorrows. This is being interpreted this way: What common joys can there be between the church and an atheistic state? That the notion of "motherland," expressed in the 1920's, was a courageous step on the part of Metropolitan Sergiy is being ignored. Also ignored is the fact that the clerics at the time expressed a traditionally patriotic essence of the Orthodox Church. As to ecumenism, I have been for 25 years one of the presidents of the Conference of European Churches and have met with many Christian figures in the West, for some of whom I have developed

great respect. What are we going to exhort Orthodox Christians to do in our time—embark on crusades? Participating in the work of the Conference of European Churches, I saw that there is an unquestionable utility in cooperation. There have been and are common problems and aspirations—for instance, arms reductions, the situation with refugees in different countries, and other social questions—all of this indicates the possibility of cooperation.

V. LAVROVA, department chief. Your Holiness! As we learned, Pope John Paul II has sent a cable that it would be good to unite the Orthodox and the Catholic churches as soon as possible....

ALEKSIY II. I think that the schism that has existed between the eastern and western churches since 1054 cannot be overcome in three years.

Besides, we feel that over the years of the governance of Pope John Paul II, the Roman Catholic Church has moved away from the principles of its own Second Vatican Assembly, which clearly stated that Orthodox churches are sister churches. But events in the western regions of Ukraine and Belarus tell us that people do not treat sisters this way. In Belarus, for instance, about 150 Catholic priests from Poland propagate Catholicism and Polish nationalism among the population and are engaged in open proselytizing. This worries us. We keep bringing up our concerns in meetings with Roman Catholic representatives. Two years ago at one such meeting with the Roman Catholic Church's representatives, we signed an agreement that clearly spelled out that whenever a new structure of the Roman Catholic Church is created on the canonically defined territory of the Russian Orthodox Church in Russia, our church structures are to be notified. But the agreement, unfortunately, remained on paper. Since the time this agreement was signed, a Jesuit Order was registered in Moscow, Catholic monasteries set up, a number of Polish Roman Catholic cathedrals opened in the Volga area, and so on.

As to what has happened in the western regions of Ukraine, it is a tragedy. There used to be 15 Orthodox churches in Lvov, and now not a single one is left. Despite the fact that we had an agreement with the Vatican to create a quadrilateral commission, which in each particular case was to ascertain the people's will. If the majority were Greek Catholic, the church was to go to them. If the majority were Orthodox—they had the right to this church. But the majority should take care of the minority. So that the latter would not find themselves without a roof over their head. And only in seven instances did the commission help. Then the Uniates withdrew from the commission, and it ceased to function, while forcible seizure of churches contin-

ued. This was actively assisted by UNSO (Ukrainian National Self-Defense Forces) members, that is, nationalist forces, which are trying to eradicate Orthodoxy in the western regions of Ukraine.

I. RISHINA, department chief. Your Holiness! Why our political elite goes to church these days is easy to understand. What is hard to understand is the church hierarchy's attitude toward the powers that be. In the old times, after Russia converted to Christianity, any prince had to ask for a blessing from spiritual fathers before embarking on a campaign. I do not know whether President Yeltsin, whom we have seen many times standing in a church holding a candle, asked for such when he wrote the secret edict that served as a basis for the military action in Chechnya. And, naturally, I do not know whether Commander in Chief Grachev asked for your blessing when sending untrained boys to a massacre. Such people as Zyuganov, Sterligov, and Grachev profess the Orthodox faith these days, seek the support of the church in the elections race, and apparently find it. Grachev was baptized in Georgia at the time of mad bloodshed in Chechnya—how could that be; does not the sacrament of baptism assume repentance? And is it not the church's duty to exert a moral influence on the authorities?

ALEKSIY II Regarding Grachev's baptism in Georgia—this is disinformation. He was baptized earlier in the Russian Orthodox Church. Apparently there is a custom in Georgia that a person is sprinkled with holy water during a visit to a church. Which was interpreted as a baptism. But I understand your question. As I already said, I have issued three statements calling for peace in Chechnya. Much like any ordinary citizen, I have information on this sort of events only from the mass media. And I react. But if spiritual leaders are not listened to, then the responsibility rests with those who make the decisions. I was invited several times to participate in various consultations. But I began to turn down such invitations. If our calls to stop the war are not listened to, our participation in any consultation is meaningless. We believe that all conferences are useless until the bloodshed is stopped. When this happens, I see the church's participation in organizing peaceful life, although the church is actively helping and will continue to help the victims.

I am told sometimes: You blessed Boris Nikolayevich Yeltsin when he was taking the oath as president.... Yes, this is so. But I want to remind you the words I said then: You are taking upon yourself a huge responsibility; you are assuming not glory and fame—you are assuming a great feat and a cross, the responsibility before God, before history and the people who have elected you. To this feat I blessed him.

I believe that the Chechen tragedy has affected us all. Human suffering in general should not leave anyone indifferent. We served a service on the Ascension Day for the victims of Neftegorsk. From our modest means, I transferred R100 million to aid the victims. In the cable I sent to the bishop of Yuzhno-Sakhalinsk and the head of the Sakhalin administration, I called on all Sakhalin clergy to render all possible moral and spiritual support to those who had been left homeless, lost their family and loved ones.

A. UDALTSOV. Your Holiness! I have this question: Most of us, of course, had been party members, atheists. How does the church feel about people who have not been baptized, have never professed Orthodox faith, but today very demonstratively attend church services, stand there with a candle? The people snicker at such individuals, called them "candlesticks." How does the church feel about such metamorphoses?

ALEKSIY II. We treat everyone equally. I think, if we did not treat everyone equally, perhaps my aides would have asked you, Arkadiy Petrovich: Who is going to be at this meeting—have they all been baptized? But we did not ask such questions. Because we were meeting with our compatriots. We are open to any dialogue and cooperation.

Many of those who used to be party members have become parishioners in the church. Many have converted. But this cannot happen overnight! And when a person lights a candle, this does not make him yet an Orthodox Christian. He has to live a Christian life.

In the Greek language, the word that is used for "repentance" is "metanoya," the root of which means "change of mind"—in effect, rebirth. One has to convert his mind and soul, and only then can one expect forgiveness for his sins. It cannot happen this way—you lit a candle and everything will be forgiven. But lighting a candle is always a good thing to do.

It is not the fault of three generations that grew up after the revolution that they have been raised in atheism. In the provinces, I visited nursing homes for the elderly. They are between 75 and 80 years of age. Small churches are set up in such homes. I asked a priest: What percentage of the nursing home's inhabitants are believers? I was told—20-30 percent. And I thought that it was not a lot for a group of people who were approaching the finish of their life. But then I contemplated this: They are contemporaries of the revolution; they were born at the height of atheist rampage, the destruction of churches, arrests and executions of priests, burning of icons. And they lived through their entire life with this ideology of struggle. It is natural that far from all became believers.

I. RISHINA. Your Holiness! We are all worried, of course, over manifestations of fascism in our country. I want to recall an interview you gave on the subject of Metropolitan Ioann of St. Petersburg. You said that there are certain things in his words, speeches, and publications that you disagree with, and that you intended to bring it up at the Synod. Times goes by, and Metropolitan Ioann continues his "Black-Hundred" discourses in SOVETSKAYA ROSSIYA. His doctrine of the social system has become the foundation of the Russian National Assembly's charter. This is already a political phenomenon, not just a spiritual one—and by the way, G. Yakunin was defrocked for participation in politics. Have you brought up this question in the Synod? And something else. Nazi literature is being sold and distributed free in huge quantities, including, unfortunately, in church kiosks, where one can see, for instance, "The Protocols of the Wise Men of Zion." For instance, in the Moscow church near Solyanka they were given free to pilgrims: Go ahead, read and study. What does it all mean? Fascism continues its march over Russia. I would like to hear your authoritative word.

ALEKSIY II. We all recently celebrated the 50-year anniversary of the great victory of our people in the Great Patriotic War. These celebrations turned into a unifying moment. Veterans from Russia and near-abroad countries walked together in the Red Square. It was touching to see this procession. Maybe the last one in their lifetime. The victory cost us so dearly, and this was victory over fascism. And speaking the day before in the State Kremlin Palace, I said that we use every means to block the road to fascism and not allow it to develop in our country. Because there is such a danger.

As to Metropolitan Ioann, at its latest meeting the Synod adopted a decree, which pointed out to him the impermissibility of interfering in internal affairs of other eparchies, which is contrary to the church canons.

I am asked sometimes: Why different attitude to G. Yakunin and Metropolitan Ioann? G. Yakunin expresses his own opinion. Metropolitan Ioann, unfortunately, is being influenced by his immediate retinue, who drag him into political games. It is my deepest conviction that church should be outside politics. Only the local or bishops' council, the Synod, or the patriarch can speak on behalf of the church. Or whoever will be authorized to thus speak. Metropolitan Ioann's political statements are, however, his personal opinion, and he bears personal responsibility for them. Each person has the right to express opinion. Unlike G. Yakunin, however, Metropolitan Ioann does not refuse to carry out his pastoral duty in the church.

A. BORIN, commentator. Your Holiness! How do you feel about capital punishment? Do you not believe that we should follow the example of many civilized Christian countries and, if not ban it, then at least declare a moratorium on its use?

ALEKSIY II. Any murder is a tragedy, because it is not in our right to take life. But there are, of course, instances that evoke thoughts. As, for example, the Rostov case of a maniac who killed 54 teenagers and women. There are some crimes for which many people consider capital punishment fair. This question deserves more broad public discussion, however.

Crime is growing at a frightening rate. There should be deterrent laws. Incarceration for life is a possibility.

L. POCHIVALOV, commentator. Your Holiness! Three years ago at LITERATURNAYA GAZETA's initiative, the Hope and Remembrance Foundation was created, whose efforts were aimed at the idea of reconciliation between Russia and Germany. In 1992 you were among the first to support our foundation and became its honorary member of the board. I wanted to tell you that this year on 2 September there will be an international ground-breaking of a memorial park for all those who died in the fields of Russia, in memory of the victims of all wars of the departing century. What hopes do you pin on the new century, the new millennium?

ALEKSIY II. If we look at the past century, we will see that there were many victims. As a result of the revolution, World War I, the civil war, Stalin's repressions, the Great Patriotic War. Life has lost its unique, unsurpassed value. And how many people die at the hand of criminals and negligence in peacetime? Therefore, I think that we need to imbue everybody with hope that the coming millennium must become more peace-loving, humane, built on justice in human relations, instead of mutual destruction and hate. I supported the idea of creating such a foundation, because its goal is to put hope in people's hearts and souls.

Ye. KRIVITSKIY, deputy editor in chief. Your Holiness! Leo Tolstoy in his time was excommunicated. To my mind, it is incomprehensible—the genius artist outside the Christian outlook? What is currently the church's attitude to the great writer?

ALEKSIY II. We consider him a great Russian writer and read his works. But when he wrote his gospel, he attempted to substitute for Christ and interpret Christian ideals from his position, from his viewpoint. Therefore, without denying his creating work, and while considering him a great writer, we still have to say: This was an attempt to substitute his gospel for Christianity

and Christ the Savior's Gospel, for which he was excommunicated.

A. UDALTSOV. Your Holiness! On behalf of all of us I want to thank you for an exceptionally profound conversation. In connection with your personal jubilee—five years in this post—we wish you personally, as they say in Russia, health and success in your undertakings and personal life. We wish the Orthodox Church success and growth. As to LITERATURNAYA GAZETA, it will always cover the activities of those religious confessions that bring people peace and goodness.

ALEKSIY II. I want to thank you too for this meeting, for the interest you have shown. The questions you asked attest to great, and sometimes profound, interest in the affairs of the Orthodox Church. Over the past decades, attempts were made to artificially separate us: to separate the press from the church, and science from the church too. Separate culture from the church. But now we increasingly often hear voices that there cannot be secular culture and spiritual culture. Because it is one and the same.

I sincerely wish all of the newspaper staff, your supporters and readers, members of the intelligentsia, blessed success in your activities. I wish your that newspaper not be affected by economic difficulties, that it continue publishing without interruption. Everybody is experiencing economic difficulties today: both newspapers and the church. This is our common fate. But I wish to God that LITERATURNAYA GAZETA should continue to unite the intelligentsia.

We all must serve peace, unity, and accord, and overcome any confrontations. Because only in unity and accord can we solve the problems facing the country, society, and the whole world.

Violations of Freedom of Religion Law Alleged

954F2615A Moscow MOSKOVSKIYE NOVOSTI
in Russian 4-11 Jun 95 No 39, p 8

[Article by Vitaliy Savitskiy, chairman of the subcommittee on affairs of religious organizations of the State Duma of Russia, under the "Religion" rubric: "Chief of Belief. That Is Apparently What the President of Russia Wants To Be Called"]

[FBIS Translated Text] We all remember the activity of the soviets on religious affairs which in Soviet times regulated the life of the church. The law of the Russian Federation "On Freedom of Religion" eliminated this organ.

But the desire of power to rule faith is undying. Today the mayors' offices and the local administrations are

creating structures to which they are assigning those same functions as the soviets on religious affairs had. Sometimes it reaches the point of being ridiculous: In St. Petersburg, such an institution was housed in the same premises in which the soviet on religious affairs was previously located.

A commission on religious affairs headed by Sergey Shakhrai is functioning under the government of Russia.

There is no doubt that in a secular state there must be structures that coordinate the activity of the state and the church. But they must not be instituted by an order from above. The church must participate actively in their creation and their operation.

These would appear to be obvious things. But I have on my desk a directive from Boris Yeltsin "On the Interaction Between the President of the Russian Federation and Religious Associations." Is it really necessary to create a special structure for the president to interact with believers?

The document says: "Agree with the initiative of representatives of a number of religious associations to create a Soviet for Interaction With Religious Associations under the President of the Russian Federation (hereinafter referred to as Soviet)." As the chairman of the subcommittee on affairs of religious organs of the State Duma, I was unable to figure out where this "initiative" came from. Moreover, I doubt very much that believers or the church would support such a "proposal."

The second paragraph prescribes forming in the structure of the directorate of the president's administration a "department for interaction with religious associations. The number of members of the administrative staff is to be increased by five. A.A. Krasikov is to be assigned the duties of official secretary." Thus five new bureaucrats headed by Krasikov, who is unknown in religious circles, will be in charge of the church. Or they are probably already in charge, since the order took effect on the day it was signed—24 April 1995.

And this in spite of the fact that the directive of the chief of state violates both the Constitution of Russia and the law of the Russian Federation "On Freedom of Religion." In compliance with the Constitution, religious associations are separate from the state. And Article 8 of the law "On Freedom of Religion" has the title "Separation of Religious and Atheistic Organizations From the State." It says: "On the territory of the RSFSR it shall not be permitted to establish executive or administrative organs of state power or state positions especially intended to resolve issues related to the exercise of the citizens' right to freedom of religion."

Because of the obvious violations of the law, I intend to apply to the Constitutional Court.

Media Issues

Suspension, Possible Resurrection of NEZGAZ Examined

954F2599A Moscow MOSKOVSKIYE NOVOSTI
in Russian No 38, 28 May-4 Jun 95 p 14

[Commentary by Viktor Loshak, editor in chief: "Independence and NEZAVISIMAYA GAZETA: MOSKOVSKIYE NOVOSTI Is Willing To Become a NEZAVISIMAYA GAZETA Stockholder"]

[FBIS Translated Text] The temporary suspension of publication, announced by NEZAVISIMAYA GAZETA, is a highly possible point in the biography of a periodical. Born of the democratic romanticism of perestroika, NEZAVISIMAYA GAZETA seems to have run out its course together with the latter. The success of some and the collapse of others in our press world seems to instruct journalists: If you want to live—learn how to earn money; otherwise, if you want to live—learn to serve (the authorities, a party, a boss). NEZAVISIMAYA GAZETA did not know, and has not learned, how to do either. Despite having nurtured a whole brigade of "pen warriors" with a good taste for money, who, having flown the coop, for a long time continued to peck on the periodical that had built up their names but that had run out of strength.

NEZAVISIMAYA GAZETA was not the only periodical to temporarily suspend publication lately, but only its departure was treated by many readers in Moscow with empathy and concern. A few days after the NEZAVISIMAYA GAZETA editor in chief's appeal, he was quite unexpectedly invited for a conversation with the prime minister. Viktor Chernomyrdin promised to support the newspaper. It is already known today, however, that Chernomyrdin—both as head of the government and as a shadow head of Gazprom—participates in financing a lion's share of all-Russia daily newspapers. Will not some of them, including NEZAVISIMAYA GAZETA, in time become a burden for him—shall we say, after the elections?

Can a newspaper remain independent if it has influential co-owners? It looks like NEZAVISIMAYA GAZETA is not the only one facing this question today. Perhaps becoming a publicly-held company, as proposed by Viktor Tretyakov, will become for now the only, and wonderful, experience of countering the practice of its disappearance by the principle of independence.

Alas, a newspaper can only count on itself, its readers, and friends. It is simply impossible to trust the authorities' promises, which the Federation Council has

demonstrated to journalists by burying once again the law on state support for the press. Interestingly, our senators' chairman, Vladimir Shumeyko, seems to qualify for the title of record-setter in promises of aid to journalists.

In 1990 MOSKOVSKIYE NOVOSTI delegated to NEZAVISIMAYA GAZETA its editor in chief and several other staff beginners, who soon grew up to become deputy chiefs and leading "pens." Perhaps it is also because of this kinship that we cannot sit on the sidelines when friends and colleagues are in trouble. The name of MOSKOVSKIYE NOVOSTI and the desire to help will probably give more support to colleagues than the amount we can afford to set aside to purchase NEZAVISIMAYA GAZETA shares, but we want you to know: We are with you.

Do not despair! As the saying goes, we will overcome!

Defense of Regional Press Interests Urged

954F2600A Moscow MOSKOVSKIYE NOVOSTI
in Russian No 38, 28 May-4 Jun 95 p 14

[Report by Leonid Nikitinskiy: "For What Is VECHERNYAYA UFA To Blame?"]

[FBIS Translated Text] The regional news media should not count on the support of the state authorities in conflicts with the local administration.

Yadvat Khusaynov, chief editor of the newspaper VECHERNYAYA UFA, applied to the Court of Appeals for Information Disputes under the Office of the President of the Russian Federation. He deemed unfounded the complaints against the newspaper on the part of the State Inspectorate for Protection of the Freedom of the Press and Mass Information at the Ministry of the Press of the Republic of Bashkortostan. Following a check on the activity of the newspaper in the spring of 1995, the inspectorate sent an enjoiner of 18 points, the majority of which were connected with the advertising for alcohol in violation of the ban currently in effect.

The Court of Appeals confirmed its previous ruling: Indications of advertising are discerned only in the notices which together with information on the sale "are characterized by the popularization and laudation of the qualities and affordability of the product."

But the dispute considered by the court is merely an episode in the conflict between the authorities of Bashkiria and journalists of the popular press.

Boris Malyadskiy, the head of the Bashkir Specialized Commodity and Raw Material Exchange (BSTSB), went missing in the spring of 1994 (and still has not

been found), carrying off with him into the unknown a number of this organization's documents and 46 billion rubles earned from the sale to the citizens of terminal contracts for Bashkir gasoline. The activity of the exchange and its "securities" had been advertised extensively, including in the newspaper VECHERNYAYA UFA.

Murtaza Rakhimov, president of Bashkortostan, who was formerly director of the 22d Party Congress Oil Refinery, was undoubtedly au courant with all the affairs of the BSTSB and for a while approved of its activity. But in 1994 he attempted to bring the exchange under strict state control, with which local experts connect the failure of the enterprise. The latter gave rise to a broad public movement of defrauded holders of "terminal contracts," which shook the republic for a year.

VECHERNYAYA UFA, meanwhile, came into conflict with President Rakhimov's administration, having published a denunciatory article on the Bashkultinvest firm, which had been founded with the active participation of Salavat Aminev, the president's chief of staff. This firm, which had been created with a view to restoration of the cultural values of Bashkiria and which enjoyed the corresponding privileges, was involved mainly in the sale of oil to Chechnya. The result of the publication was the dismissal of the president's chief of staff.

Aminev was transferred to the republic's Tax Inspectorate to reinforce it, and the visits of inspectors from here to VECHERNYAYA UFA soon became more frequent. The checks did not, however, find facts sufficient for the adoption of decisive measures against the leadership of the newspaper.

Nonetheless, when the tension in the republic connected with the failure of the BSTSB had reached a critical phase, President Rakhimov was forced to adopt the special edict of 20 March 1995. The main culprits of the defrauding of the purchasers of the "terminal contracts" were, according to this edict, said to be... journalists, who had made newspaper space available for BSTSB advertising. It was proposed that the Ufa City Council, as a founder of the newspaper VECHERNYAYA UFA, "consider the question of the liability" of its chief editor.

The Court of Appeals for Information Disputes found the consideration of matters concerning President Rakhimov's edict to go beyond its jurisdiction. Legally, this ruling is quite glib, although the court could, in my view, had it so wished, have made some of the restrictive points of the edict directly concerning the news media and their legal status an object of its consideration.

VECHERNYAYA UFA lost the argument. But the journalists won in one sense: The "oil" underpinnings of the newspaper's conflict with the authorities of Bashkiria was given extensive publicity.

The absence of effective protection of freedom of speech on the part of the Court of Appeals, however, makes us wonder whether journalists should not address themselves to plans for the creation not of state but specialized corporate journalistic bodies, which would represent the interests of the regional press also.

Federal Assembly

Duma Ratifies Russian-Chinese Border Agreement

*LD2306120595 Moscow ITAR-TASS World Service
in Russian 1116 GMT 23 Jun 95*

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 23 Jun (ITAR-TASS) — The agreement between the Russian Federation and the People's Republic of China on the western sector of the Russian-Chinese state border was ratified today by the State Duma. The agreement was signed in Moscow on 3 September 1994 by the Russian and Chinese foreign ministers.

The western sector of the Russian-Chinese border, which extends for about 55 km, passes through a fairly inaccessible mountainous area.

In an information appendage to the document, the Asian Department of the Russian Foreign Ministry notes that the ratification of this agreement essentially completes the demarcation in legal format of the Russian-Chinese border, which extends for 4,300 km.

Duma Statement, Decree on Bosnia Settlement

*MM2306094595 Moscow ROSSIYSKAYA GAZETA
First Edition in Russian 22 Jun 95 p 5*

[State Duma Decree No. 865-1 GD "On Russian Federation Federal Assembly State Duma Declaration 'On Russia's Position at the Present Stage of the Crisis in the Balkans and on Initiatives for a Bosnian Settlement' followed by State Duma Declaration]

[FBIS Translated Text]

Russian Federation Federal Assembly State Duma Decree No. 856-1 GD on Russian Federation Federal Assembly State Duma declaration "on Russia's position at the present stage of the crisis in

the Balkans and on Initiatives for a Bosnian Settlement"

The Russian Federation Federal Assembly State Duma decrees:

1. That the Russian Federation Federal Assembly State Duma declaration (statement) "on Russia's position at the present stage of the crisis in the Balkans and on initiatives for a Bosnian settlement" be adopted.
2. That the Russian Federation Federal Assembly State Duma chairman be instructed to bring the content of this declaration (statement) to the attention of the Russian Federation president and the leadership of the conflicting sides and parliaments of the NATO countries.

[Signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

[Dated] 9 June 1995, Moscow

State Duma Declaration on Russia's Position at the Present Stage of the Crisis in the Balkans and on Initiatives for a Bosnian Settlement

Having examined the drastic aggravation of the situation in the former Yugoslav republic of Bosnia and Herzegovina, the Russian Federation Federal Assembly State Duma notes that its causes are the West's continuing unilateral actions in the business of a settlement and in particular the latest bomb attacks on the Bosnian Serbs' positions. The familiar pattern has been repeated again: an attack by the Muslim troops from a zone under the protection of the United Nations, a counteroffensive by the Serbs, and NATO aircraft bomb strikes. Eyes are again closed to the arming of the Muslim and Croat sides in contravention of the embargo, to the participation of Republic of Croatia regular troops in the fighting in Bosnia and Herzegovina. The 2 December 1994 decision of the international contact group on equal rights for the opposing sides in the Bosnian conflict, fundamental for the solution of the Balkans crisis, remains only on paper.

The same lack of objectivity can be observed in the conflict between the Republic of Croatia and Serbian Krajina. The Croatian troops' occupation of West Slavonia and the genocide against the Serbian population there and the recent Croatian aggression in North Dalmatia remain unanswered. It is worth recalling that the territory of Serbian Krajina is also under the protection of the UN peacekeeping forces.

Only the Serbs are enjoying the so-called privilege of NATO air strikes, which emphasizes yet again that the middlemen in the settlement of the crisis on the territory

of the former Yugoslavia have essentially become the allies of the Croats and Bosnian Muslims.

The NATO defense ministers' conference 3 June 1995 decision on creating rapid reaction forces of 10,000 servicemen presents a special danger. In fact it is a case of the West's consistent policy on the territory of the former Yugoslavia aimed at gradually replacing the UN peacekeeping forces in the former Yugoslavia with NATO troops. These actions can only be interpreted as the expansion of the NATO military-political bloc to the Balkans and Southeast Europe as a whole. And in contrast to the disputes on the gradual admission of the East European countries to NATO this expansion is planned through direct intervention. Although the decision to send NATO servicemen to the former Yugoslavia in accordance with the UN Charter should be approved by the UN Security Council, the transfer of the rapid reaction forces to the Republic of Croatia on the border with Bosnia has in fact already begun.

In this connection the statements by Russian Federation Foreign Minister A.V. Kozyrev on the possibility of Russian soldiers joining the rapid reaction forces which are being created cause extreme concern. After the approval of the anti-Serbian sanctions and the authorization to bomb Serb positions by NATO aircraft, approval for the deployment of these forces in the former Yugoslavia would be Russia's third very gross error in regulating the crisis on the territory of the former Yugoslavia. Russia cannot have two policies with regard to NATO's expansion plans. While the Russian Federation president has frequently stated publicly that the NATO plans to expand to the East European countries are unacceptable to our country, the Russian Federation Foreign Minister is giving the go-ahead to this expansion with regard to the former Yugoslavia.

The State Duma urgently recommends that the Russian diplomats unequivocally oppose any buildup of the NATO servicemen's presence in the former Yugoslavia and the change to the mandate of the UN peacekeeping forces there; during the voting in the UN Security Council on the question of sending NATO rapid reaction forces to the former Yugoslavia the Russian Federation's fully empowered representative in the UN Security Council must unfailingly use his right of veto.

Noting also that the behavior of the Russian Foreign Ministry in the matter of settling the crisis on the territory of the former Yugoslavia has led to many serious blunders and that in fact Russian diplomats lack a precise principled, and consistent stance on the question of a settlement of the Balkans crisis which is of strategic importance to Russia's state interests, the State Duma suggests that the Russian Federation

president and the Russian Federation Government create a joint commission consisting of representatives of federal legislative and executive organs of state power to elaborate and coordinate Russia's policy to resolve the conflict on the territory of the former Yugoslavia.

Considering that a settlement of the conflict in Bosnia can be effected only by diplomatic means, through the resumption of dialogue between the warring sides, the State Duma suggests to all sides fighting in the Bosnian conflict and also to the world community the following plan for settling the Bosnian crisis:

1. The Serbian Republic renounces any hostile actions against the UN peacekeeping forces, all hostages seized are released, heavy weapons are returned to their stipulated places of storage. At the same time a moratorium is introduced on NATO aircraft bomb attacks on Serbian positions, the Muslim enclaves under the protection of the UN peacekeeping forces are demilitarized, and monitoring of attempts at illegal arms deliveries to the Muslim and Croat sides is stepped up.
2. An indefinite truce is concluded between the Serbian Republic and the Muslim-Croat federation. Effective steps are envisaged for the world community to influence any violators of the truce.
3. Under the auspices of the international contact group peace talks are organized very soon between R. Karadzic and A. Izetbegovic (with the possible participation of S. Milosevic and F. Tudjman).
4. The Serbian Republic agrees to accept the map for the territorial division of Bosnia and Herzegovina as the basis for talks. At the same time another very important element of the peace plan is introduced to the talks — the constitutional structure of Bosnia and Herzegovina. These two questions are being examined as a package. At the talks equal rights for all warring sides are being observed unconditionally. The operation of sanctions introduced by the international community against the Serbs is suspended.
5. Before the conclusion of an agreement on the territorial demarcation and constitutional structure of Bosnia and Herzegovina and the final demarcation of the border in Bosnia and Herzegovina the troops of the Serbian, Muslim, and Croatian sides are disengaged to an agreed distance but as a whole remain on their positions. UN peacekeeping forces are brought in between them to the so-called buffer zones.
6. After the conclusion of agreements on the territorial demarcation and constitutional structure of Bosnia and Herzegovina the Federal Republic of Yugoslavia recognizes the decision found by the opposing sides. All the

international community's sanctions against the Serbs are repealed.

The State Duma counts on a committed and attentive examination of its initiatives by the international community, the Russian Federation president, and the Russian Federation Government.

Duma Asked To Ratify Troop Withdrawal Accord

*MK2406055095 Moscow KOMMERSANT-DAILY
in Russian 23 Jun 95 p 3*

[Unattributed report under the "Journal" rubric: "Moscow Honors Accords"]

[FBIS Translated Text] On 22 June Boris Yeltsin sent to the State Duma for ratification the agreement on the legal status, procedure, and timetable of withdrawing Russian troops from Moldova, which was signed 21 October 1994. At the same time, the president passed to the Duma for ratification the Russian-Moldovan agreement on jurisdiction and mutual legal assistance on problems relating to the temporary presence of Russian military formations in Moldova. Thus Moscow confirmed its intention to pull its troops out on schedule. This also means that Russia has made up its mind in principle on the withdrawal of military front depots packed with weapons that are currently protected by the 14th Army.

Dual Taxation Agreement With Turkey Rejected

*LD2306203495 Moscow INTERFAX in English
1523 GMT 23 Jun 95*

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] Moscow, June 23 (INTERFAX) — The Russian State Duma refused Friday to ratify an inter-governmental Russian-Turkish agreement on avoiding dual taxation on income tax.

This took place after Chairman of the Duma Foreign Affairs Committee Vladimir Lukin did not recommend that the document be ratified.

He reasoned his position by the fact that "by ratifying the document, Moscow would seem to be interfering on the side of Ankara into the territorial dispute between Turkey and Greece on which of them should own the islands in the Aegean Sea."

He believes the tax exemption period for the Turkish construction firms in the agreement is at least three times longer. The deputy said that agreement determines the special period as 36 months, while "in standard such contracts it is established for one year, as a rule." "In other words, over three years, construction firms will

pay taxes to the Turkish treasury and will not pay them to the Russian one," he said.

Voting down the Russian-Turkish agreement, the State Duma decided to form a parliamentary commission to clarify the circumstances of its signing.

According to Deputy Vladimir Yuzhakov, the commission is to look into "who received the bribe for the establishment of such a period in the document."

Further Reportage, Commentary on No-Confidence Vote

Shumeyko Supports Discussion

*LD2206191995 Moscow ITAR-TASS in English
1836 GMT 22 Jun 95*

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow, June 22 (ITAR-TASS) — The Russian government, which motioned discussion of the vote of confidence for itself at the State Duma today, "is absolutely correct in doing so", Federation Council Chairman Vladimir Shumeyko said.

Shumeyko said in an interview with ITAR-TASS that the State Duma, or the lower house of parliament, "will have to give a vote of confidence to the government on June 30".

Shumeyko described the Duma's Wednesday resolution on no-confidence to the government as "a political game". He said the Duma made the move "finding itself in safety" after President Yeltsin had signed a disputed law on State Duma election.

The government is taking a risky but right step, Shumeyko said.

If the State Duma reaffirms its vote of no-confidence, the president will have a dilemma — who he is to keep in place.

If the government is sacked, who is to sort out a host of economic challenges, including the 1996 budget which is to be passed in December, the Federation Council speaker said.

The president "will most likely choose the second option — to dissolve the Duma and call a new election", Shumeyko forecast.

President Yeltsin sent a budget letter to the government today.

The government and the State Duma, which stripped it of confidence, are to work on the budget together beginning from Friday.

Shumeyko said this "is hardly possible" as the Duma's major factions oppose the government's course.

Rybkin: Chances for Dissolution 50-50

MK2406130095 Moscow DELOVOY MIR in Russian
24 Jun 95 p 1

[Interview with Ivan Rybkin, State Duma chairman, by Viktor Gribachev under the "Topical Interview" rubric: "Ivan Rybkin: 'It Is Unsafe for Russia To Be Under Fools'" — place, date not given]

[FBIS Translated Text] [Gribachev] One can often hear the phrase: "Politics is a dirty thing." Do you agree with this assertion? What do political and state activities mean to you, and do you intend to go on with your political career?

[Rybkin] I categorically disagree with this assertion. My political and state activity started with work as a deputy. I was fully devoted to this work, trying to understand and somehow to alleviate people's needs, problems, and pain. This was my main concern. And now, I — together with my colleagues — am doing my best to bring Russia out of the mire of political, economic, social, and moral crisis.

Will I go on with my political career? This will largely depend on people's attitude to my views on the current situation.

I intend to participate in the election, running in a single-seat constituency. If people choose so, I will work again. If not, I will find some other way for myself.

[Gribachev] With us, it is always like this: A person who has ruined some project but who has managed to "desert the sinking ship" just in time escapes any responsibility. Will you be ready to take responsibility — and in what way — if, some time after you leave the speaker's post, it turns out that, objectively, you were involved in some Russian failures, or will you try to make excuses, like, for instance, M.S. Gorbachev?

[Rybkin] I have nothing to make excuses for. First of all, I personify the collective will of 449 deputies. The Duma is an image of what kind of deputies have been elected. Therefore, the responsibility for what is happening now is to be shared with the voters.

[Gribachev] In time, all of the present Kremlin court mysteries will be made public. Today, you are not the last person in this country — so, have you thought about the future? I believe you understand what the question is driving at: Is the moral aspect in politics important for you personally? Or — again only for you — are moral principles compatible with political activity?

[Rybkin] I hate allusions and semi-allusions — the question is completely clear to me. For me, it will be important — both tomorrow and the day after tomorrow — to look into my grandson's eyes, to be able to talk to him in the same way as I speak now with my father, a World War II disabled veteran, and my mother, who has ruined her health toiling on land, and with my numerous brothers, sisters, and nephews, and with my childhood friends. And all of my friends have remained my friends till now. I think I will have nothing to make excuses for. If I have left something undone, I have to accept this. And I have to work from dawn to dusk now. I have become used to this since my childhood — to get up as early as possible and to come back late. Therefore, my working day lasts 16 or sometimes 18 hours. I am used to this. We are doing our best to do as much as possible within the few months that has been assigned to us by the voters' will and by the Constitution.

Therefore, moral principle are important for me in political activity too. If something is done against my will, I am saying this openly, even if I remain in a minority.

[Gribachev] In October 1993, you stayed in the White House until "the very end." Let me ask you, presently a representative of a quite thriving Establishment, a rather "awkward question:" What is your attitude now toward those people, with whom you were living through the tragic October days — Rutskoy, Khasbulatov, Konstantinov, and Astafyev? Are they maintaining any contacts with you?

[Rybkin] I would not categorize this question as awkward. I stayed in the White House until "the very end" in conformity with my principles. I believed that everything could be settled by peaceful means, without resorting to arms and violence. I thought that all of us could go to the polls on 12 December, to participate both in the parliamentary and presidential elections. I urged both Aleksandr Vladimirovich Rutskoy and Ruslan Imranovich Khasbulatov to do so. I accept people as they are — not as somebody idolizes them — with all their weak and strong points.

When Rutskoy, Khasbulatov, and others were released from Lefortovo prison after the amnesty announced by the State Duma, they notified me that they wanted to come and have a talk. But they must have become enthralled by their political plans and have probably found no time for this.

You call me a representative of a quite thriving establishment. Probably I used to feel better and more comfortable while being in my former capacity — the head of a department at one of the country's higher education institutions, having been appointed to a professor's post

at the age of 34. I used to feel very comfortable and secure. If everything were well in this country, I would have quit long ago and gone back to my favorite work.

But the country is out of order, and I have gained some experience in how to manage big and small teams, and large and small regions. I used to be a leader of Volgograd Oblast, in control of 111,000 sq km area, millions of people, mighty defense, oil, aluminum, chemical (three chemical factories in one city), biochemical, and light industries, and 10 million hectares of arable land. I had to work on all of this, and, above all, to work with people. So, I know what labor is in its every manifestation — I have learned this with my own hands, legs, and head. I have gone through all of this. It is easy for me to talk: I believe that those people who used to work with me will hear and read what I am saying. I have never acted against my conscience, my heart.

I wish to repeat once again: My best friends are those of my childhood, my schoolmates, my college friends — of the times when nothing but personal preferences binds people, unburdened by anything. This is the best time to find friends for the rest of one's life.

And nobody knows how long we are going to live. I have a feeling that some people want to live two or three lives, but this is impossible — there will be just one life. [end of interview]

P.S. I. Rybkin characterized the government's decision to apply to the State Duma as a "constitutional initiative, to which it has all of the rights."

Responding to the question on the probability of Duma's dissolution by the president in case the deputies refuse to vote for confidence in the government, I. Rybkin said that "the chances are 50-50."

Duma Deputies Comment on Vote

LD2306225295 *Moscow ITAR-TASS in English*
2010 GMT 23 Jun 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow, June 23 (ITAR-TASS) — The Russian government's decision to raise the issue of confidence in it before the parliament in return to the no-confidence vote passed by the State Duma caused an emotional and varying reaction in the lower parliament chamber.

A number of deputies told ITAR-TASS that the further development of the government-parliament crisis will depend on the formulation of the question on July 1: will the Duma once again vote on no-confidence in the government, the way it was formulated the first time

and in the President's letter, or will it be the question of confidence in the Cabinet of Ministers, the way Prime Minister Chernomyrdin demanded.

"It would be much easier for the government to gain support if the question is formulated as before, rather than the way Chernomyrdin suggested," Viktor Sheynis (Yabloko faction) believes.

Many deputies agree that the resignation of the force ministers, which many factions tried to achieve, could alter the parliamentarians' mood.

"Those who voted specifically against the force ministers rather than the government can abstain, nothing more is needed," Pavel Bunich (Russia's Choice) supposes.

"If the President satisfied the parliament's recommendation on resignation of force ministers, there could be no vote of no-confidence in July," Irina Khakamada (December 12 Union) believes.

"The government's decision to raise the issue of confidence is quite natural, it is extremely difficult for it to work in the atmosphere of uncertainty," leader of Russia's Choice Yegor Gaydar told newsmen on Friday.

The faction's position during repeated voting, no matter what the formulation may be, will remain unchanged, Gaydar assured. He explained that his faction considers that replacement of the government would destabilize the situation in the country.

Vyacheslav Nikonov (PRES) [Party of Russian Unity and Accord] assumes that if the deputies do not change their previous position and once again pass a no-confidence vote in the government, "Russia will lose."

Communist faction representative Vladimir Semago told ITAR-TASS that during the voting a lot will depend on Chernomyrdin himself, whose behaviour at the last meeting has largely determined the no-confidence vote.

Semago made it clear that his faction does not fear the disbandment of the Duma and early elections, because for the Communist party, "elections today are a perfect option."

Duma, Yeltsin Compromise Seen 'Looming'

MK2406111095 *Moscow KOMMERSANT-DAILY*
in Russian 24 Jun 95 p 3

[Report by Georgiy Bovt, Natalya Kalashnikova: "The Basic Instinct"]

[FBIS Translated Text] On 21 June, when the Duma gave the Viktor Chernomyrdin government a vote of no-confidence, there was much speculation about how

this had come about and whether there were not some ingenious plan behind it — and if so, who the author is and what the possible implications are. For a while there was even an impression that the Duma, which at the time was overflowing with emotions mixed with excitement over the fact that it had managed to overthrow the hateful cabinet, simply lost its sense of reality and allowed itself, stupidly, to be driven into a corner. Yesterday's events in and around the Duma, however, brought back the conviction that, thank God, everything is all right with the basic political instinct of the majority of deputies — the instinct of self-preservation. This is reassuring.

It is amazing that nothing in the behavior by the executive branch earlier in the week put the Duma on its guard. Neither that the government was in effect indifferent toward its own fate, refusing to buttonhole anybody in the Duma corridors, pleading for mercy. Nor that President Yeltsin, reviled by Duma members in every possible way, first, prior to the no-confidence vote announced that he would sign the long-awaited law on elections to the Duma, and, second, Wednesday morning, right before the vote, he did sign it: Meaning, now you may do what you like. The agitated minds did not experience any doubts even over the somewhat enigmatic behavior of the premier, who was originally going to address a letter to the Duma Council asking to postpone the vote, and then suddenly changed his mind. Nobody tried at least partially to counterpoise sober analysis to the high personal intensity in the behavior by the former minister in the besieged government, Sergey Glazyev, who had formally started the whole thing. The excitement was overpowering.

It was simply impossible not to anticipate a retaliatory strike: Chernomyrdin raised the question of a confidence vote while Yeltsin said that if it is not passed, the Duma will be dissolved. And that's that! Piece of cake. But many analysts, who are accustomed to thinking rationally, began to look for a malicious plan and far-reaching intricate schemes. They believed until the very last moment that the executive branch simply must have such a plan. Indeed: Why not suppose that Yeltsin is prevented from sleeping calmly by the laurels of Nazarbayev or Karimov, where parliaments have either been dissolved or are deep in the president's pocket? Or that Yeltsin has decided to implement a reform package on a "Rooseveltian scale" and finally to be done with this Chechnya? Or here is yet another option. The Duma is a concentration of party headquarters. The deputies have access to government communications lines, a staff of paid aides, transport facilities, permit to enter anywhere, premises, possibilities to meet the right people, free travel in the country and beyond, and the possibility

to appear on TV screens. If the Duma is dissolved, all this will disappear instantly, like a puff of smoke. Without the Duma all these parties and their leaders are nothing on a Russia-wide scale, with no name for themselves. So, what will be left on the TV screen will be one big Russia Is Our Home and, against its backdrop, the massive figure of Viktor Chernomyrdin. As to the others, let them start the election bustle from scratch. Logical? Very much so!

The impression is, however, that none of this ever occurred to the Duma members when they merged in a single impulse seeking to overthrow the government. But they smelled the coffee in the morning! When the government and the president indicated that the Duma will be dissolved, the Duma members understood and began to say that all this is a dirty plot. Their confusion was short-lived. The basic instinct was making its claim. First, the 150 votes needed to start impeachment proceedings were raised in one day. Second, an active search began for detours: They started thinking of how to change the permanent rules and to avoid consideration of the "deadly" question for a second time. Finally, the "plot" theory opened the possibility of trading honor for mandate: If this is a plot, there is nothing to be ashamed of.

But the president apparently has no far-reaching treacherous plans up his sleeve. Indeed: Why should he dissolve the Duma? No reason whatsoever. Neither he nor the premier have any Roosevelt-style reform packages in reserve. As for Chechnya, the Duma is keeping a very low profile: Just pin-pricking the ruling establishment for half a year. And what about stripping the deputies of their perks and the possibility of campaigning, thus clearing the field for Chernomyrdin? Nothing seems to be further from the minds of people in the president's inner circle. Either the time is not ripe or they are afraid of raising him too high, denying themselves the chance to replace the irreplaceable premier should something happen.

And therefore the president has indicated in no uncertain terms that he is ready to help the Duma save its face slightly, namely to surrender some of the "power men." Moreover, the day before yesterday Rybkin, addressing the Duma Council, suggested, as though tentatively, that the "power guys" can be expected to resign of their own will. The next morning he clarified (in the lobbies) that one of these "heavyweights" almost wrote a letter of resignation.

And salvation — of face and mandate — began to loom on the horizon. Yesterday Ivan Rybkin submitted a motion: to recommend to the president to remove Yerin, Stepashin, Grachev, and Yegorov. It was recommended

to dismiss all except Stepashin. Now this is basic instinct at work! Even the Liberal Democratic Party of Russia, which only a day ago stood up for the "power people," chose not to vote at all. But this appeared even more consistent than the behavior by the agrarians and the communists: They (presumably their instinct is even stronger) almost unanimously surrendered Grachev, Yerin, and Yegorov. After which Ivan Rybkin uttered a key phrase: on 1 July (that is, of course, if the president's hints become reality and the 29 June Security Council session ends with disciplinary measures) the deputies will vote on confidence in a "renewed cabinet." Not the one on which they voted last Wednesday. Honor will be saved. And the Duma. And the deputies' mandates. And everything else.

So there is no need to complicate things. Everything is simple because there is only one instinct — the basic one.

Factions' Voting Patterns Viewed

MM2306151195 Moscow IZVESTIYA in Russian
23 Jun 95 p 2

[Article by Otto Latsis: "Duma Votes for War"]

[FBIS Translated Text] Viktor Stepanovich Chernomyrdin can be congratulated — I say this without the slightest hint of irony. Congratulated on finally gaining sufficient maturity as a politician for our remarkable parliament to vote in favor of his resignation. This happened two and a half years after he was enthusiastically ratified as the country's premier by the old "pre-October" parliament — the former Congress of People's Deputies (an old body, but one which did nonetheless pass on to the current Duma a considerable number of its personnel and its traditions with them).

If you examine the vote of no-confidence in the government in isolation from other events of recent days you may think that there has been no change in the Duma's opinion of the government and the premier, that this is only a linear extension of the former opposition ideology. The picture changes if you consider the fundamentally different role played by the premier and the power ministers in events in Budennovsk and the fundamentally different results of the ballot on questions of no-confidence in the government and on the resignation of the power ministers.

As you know, 241 deputies (53 percent of the total) backed the no-confidence vote in the government, 139 voted in favor of Nikolay Yegorov's resignation, and 138 (31 percent) for the resignation of Pavel Grachev, Viktor Yerin, and Sergey Stepashin. Thus the Duma majority expressed quite definite support for Yegorov, Grachev, Yerin, and Stepashin, who are

well-known champions of a military solution to the Chechen problem, support for Yerin and Stepashin, who have demonstrated their professional incompetence in connection with events in Budennovsk, support for Yegorov and Yerin, who are indisputably known to have wanted the bloody assault on the hospital in Budennovsk (however we did not hear that Stepashin protested this move while Grachev — after the hostages were released — said that the assault was necessary but should just have been carried out "more skillfully," which sounds particularly moving coming from the organizer of the New Year assault on Grozny).

Thus, the majority in the Duma just took advantage of the public indignation at the power ministers' actions (and inactivity) in connection with the tragedy in Budennovsk to hold a vote of no-confidence in the government, which a week ago seemed a quite hopeless business. But it voiced its no-confidence on matters that are of no concern to voters: It defended the disgraced ministers. It is not they who have been attacked but the premier. How did he offend them?

At this time the Russian State Committee for Statistics has distributed an up-to-the-minute report on the socioeconomic situation in the country in the period January-May 1995 — a sensational report when it comes to certain important indicators. In May industrial production did not only rise compared with April (an increase on the previous month has been recorded several times during the crisis years but that means little), but also compared with May 1994. This is the first time since 1992 (or maybe even since 1989) that a comparison between annual levels of industrial production has recorded not a decline but an increase. An increase that is, needless to say, still shaky and a mere 1 percent but a year earlier we saw the following in a similar report: May 1994 compared with May 1993 — down 28 percent. The country's gross domestic product rose by 0.6 percent compared with May 1994 while housing commissioned, exports, and imports were up by 15, 35, and 22 percent respectively. Compared with the first few months of the year the increase in unemployment has slowed and for the first time since last October there has been no record of a fall in real disposable monetary income — it rose by 1 percent compared with April.

Considerable negative indicators remain: a decline in consumer goods and agricultural production, high inflation (which is falling more slowly than planned), a decline in investment, and an unacceptably high (and increasing over the year) proportion of the population with income below the minimum subsistence level. But the list of negative indicators, which have been the norm over the last few years, is now possibly shorter than ever before.

No, the economic matters for which the premier is primarily responsible could not have led to the dramatic increase in complaints against him that we have seen over the last few days — quite the contrary. So we inevitably come back to the tragedy in Budennovsk. Chernomyrdin gave Sergey Kovalev, a man hated by our "hawks," authority to conduct the negotiations. Chernomyrdin during his direct talks with Basayev confirmed the agreement reached by Kovalev's group. There is every indication that Chernomyrdin hampered fresh criminal attempts to storm the hospital during which the attacking troops would have inevitably had to shoot their way through thousands of hostages.

"This is a vote for war," your correspondent was told by Yegor Gaydar in this connection. Obviously, voters deserve to know the details of this vote on the eve of elections.

According to the independent information and analysis group, 45 deputies from the Communist faction backed the vote of no-confidence in the government — or 96 percent of the whole faction — but at the same time only two voted in favor of the power ministers' resignation (the others for the most part did not take part in this ballot, which in this case is tantamount to voting against it). And what abuse the Communist Party of the Russian Federation directed at the power ministers for putting down the October 1993 mutiny! When it was possible to get even with them, unlike now! But evidently the political kinship between the supporters of war overcame the political rivalry between various factions in this camp.

Some 88 percent of Agrarian Party deputies backed the no-confidence vote in the government while none voted in favor of the resignation of the power ministers.

Some 45 Zhirinovskiy supporters — or 83 percent — backed the no-confidence vote while one deputy supported the vote in favor of power ministers' resignation (what touching unity with the Communists!). All 100 percent of "Derzhava," a breakaway group from Zhirinovskiy's supporters, backed the no-confidence vote while none voted in favor of the power ministers' resignation.

Some 90 percent of Baburin's "Russian Path" backed the vote of no-confidence and none supported the power ministers' resignation.

All 100 percent of the deputies from Sergey Glazyev's Democratic Party, which initiated the vote, backed the no-confidence vote and 20 percent voted in favor of the power ministers' resignation.

On election day do not forget, esteemed voters, who voted for the war party!

There were regrettably far fewer factions who clearly demonstrated the reverse.

"Women of Russia": 10 percent backed the no-confidence vote while 86 percent voted in favor of the power ministers' resignation.

"Russia's Choice": 6 percent backed the no-confidence vote and 61 percent voted in favor of the power ministers' resignation.

The Party of Russian Unity and Accord: 5 percent backed the no-confidence vote and 36 percent favored the resignation of the power ministers.

"Yabloko" and the "Union of 12 December" (Boris Fedorov's group) voted in almost equal numbers against the government as a whole and the three ministers. Some 10 deputies — or over one-fourth — from the "Russia" group set up by the government backed...the no-confidence vote. And 62 percent of the "New Regional Policy" faction, which allegedly supports the Chernomyrdin electoral bloc backed the no-confidence vote in the government (while 25 percent voted in favor of the resignation of the power ministers).

The president did not agree with the vote of no-confidence in the government — any other decision would have run counter to the logic of all Boris Yeltsin's previous policy. If the Duma adopts a vote of no-confidence, the president will either have to sack the government or dissolve the Duma. That was probably why on 21 June Sergey Glazyev, who initiated the no-confidence vote, spoke of the courage necessary for that kind of vote. However, a few months ago, while being clearly unhappy with the anti-inflationary aspirations in the draft 1995 budget, the Duma could not bring itself to vote against the budget and thus voice no-confidence in the government. It was stopped in its tracks by the threat of the president's retaliating by dissolving the Duma. Why have they gotten so brave now? The answer is obvious — you only have to look at the calendar. Now the dissolution of the Duma does not threaten deputies with the real loss of their seats for any tangible period since elections are imminent. There is no risk in their boasting to voters of their "courage."

The 21 June ballot marked the Duma opposition's first overt demonstration that it ACTUALLY supports the power ministers for all its previous tough talk. Thus the president, who also hitherto backed the power ministers despite all their conflicts with the democratic public, has found himself by means of this trio unexpectedly close to the opposition who are attacking it. Dangerously close: In the eyes of the democratic electorate this compromises the president but does not vindicate him

in the eyes of the hard-line opposition. Will the president be able this time to distance himself from these ministers? Or is Tvardovskiy right — do guns go into battle backwards?

Duma Votes To Recommend Dismissal of Ministers

AU2306100195 *Paris AFP in English*
0942 GMT 23 Jun 95

[FBIS Transcribed Text] Moscow, June 23 (AFP) — The Russian lower house of parliament, the Duma, voted Friday to recommend that President Boris Yeltsin sack the defense and interior ministers and the deputy prime minister for nationalities.

The vote is non-binding, but comes amid a storm over the so-called "power ministers'" handling of the Budennovsk hostage crisis and the war in Chechnya.

Breakdown of Voting Detailed

LD2306135495 *Moscow INTERFAX in English*
1222 GMT 23 Jun 95

[FBIS Transcribed Text] Moscow, June 23 (INTERFAX) — INTERFAX has learned the results of the roll-call vote by State Duma deputies and factions Friday on the issue of the dismissal of "the power ministers."

A total of 36 deputies from the Agrarian Party faction voted to recommend the president relieve Viktor Yerin of his duties, 0 — against, 0 — abstained and 14 failed to vote; the Communist Party (respectively 42, 0, 0, and 5), the LDPR [Liberal Democratic Party of Russia] (1, 0, 0, and 53); Yabloko (26, 0, 0, and 1); Russia's Choice (44, 0, 0, and 10); Russia's Women (19, 0, 0, and 2).

A total of 38 deputies from the Agrarian Party expressed no confidence in Russia's Defense Minister Pavel Grachev, 0 — against, 0 — abstained, and 12 did not participate in the vote; Communist faction respectively 35, 0, 0, and 12; the LDPR: 1, 4, 0, and 49; Yabloko: 26, 0, 0, and 1; Russia's Choice: 43, 0, 0, and 11; Russia's Women: 19, 0, 0, and 2.

In voting on recommending that leader of the Federal Security Service Sergey Stepashin be removed from his post, 26 deputies from the Agrarian party faction voted for, 1 — against, 1 — abstained, and 22 did not participate in the vote; the Communist party: 8, 16, 0, and 23; the LDPR: 0, 0, 0, and 54; Yabloko: 26, 0, 0, and 1; Russia's Choice: 37, 0, 2, and 15; Russia's Women: 15, 0, 1, and 5.

As many as 31 deputies from the Agrarian Party faction demanded the resignation of Deputy Prime Minister of the Russian government, Nationalities and Regional Policy Minister Nikolay Yegorov, 0 — against, 0 — abstained and 19 did not participate in the voting; the

Communist Party: 31, 0, 1, and 15; the LDPR: 1, 1, 0, and 52; Yabloko: 26, 0, 0, and 1; Russia's Choice: 44, 0, 0, and 10; Russia's Women: 19, 0, 0, and 2.

Reaction to Duma Factions' Move To Impeach Yeltsin

Lukin Criticizes Moves

LD2206184195 *Moscow INTERFAX in English*
1602 GMT 22 Jun 95

[FBIS Transcribed Text] Moscow, June 22 (INTERFAX) — The chairman of the State Duma International Affairs Committee, Vladimir Lukin of the Yabloko faction, told a briefing in the parliamentary building Thursday that the presidential impeachment being prepared by some factions was "none too wise a business."

According to Lukin, "regardless of the attitude to Boris Yeltsin, it is impossible to make all no-confidence votes possible at once."

The State Duma voted for no confidence in the government on June 21.

According to the existing Constitution and the current layout of forces, the impeachment is "wittingly unrealizable," because the Supreme Court will never give the conclusion of signs of a crime in the president's actions as required by the Constitution. If the Supreme Court does give such a conclusion, the Federation Council will never support the State Duma's motion, he said.

Raising the issue of confidence in the government in the State Duma for the second time, Prime Minister Viktor Chernomyrdin had previously agreed it on with President Yeltsin. "They want to either scare off, or disband the Duma," he added.

If the lower house of parliament is disbanded, a number of unsettled constitutional issues will emerge, Lukin said. This is why he will not recommend the State Duma to take another no-confidence vote. "Otherwise, legal chaos will come," he added.

Zhirinovskiy Supports Move

LD2206175695 *Moscow INTERFAX in English*
1602 GMT 22 Jun 95

[FBIS Transcribed Text] Moscow, June 22 (INTERFAX) — The Liberal Democratic Party leader Vladimir Zhirinovskiy has said in an exclusive interview to INTERFAX on Thursday that the members of his faction would most probably put their signatures to the demand initiated by Communist MPs to start impeachment procedures against President Boris Yeltsin.

To include the question in the agenda the signatures of 150 deputies are required. Security committee chairman Victor Ilukhin says more than 100 signatures have been collected already.

"If the president continues to threaten he would disband the State Duma, the Liberal Democrats will come out for his impeachment", Zhirinovskiy said.

About the government's decision to ask Duma to vote on confidence in the Cabinet, which, in case of a negative result, would empower the president to disband Duma within seven days and call new elections, Zhirinovskiy said he doubted President Yeltsin would dare take such a step.

"They, the president and the government will only lose if they disband the State Duma now, because in that case under the Constitution parliamentary elections must take place at the end of October, or in November. The executive authorities would lose them completely, because all popular anger over the situation in the country would be targeted against them", Zhirinovskiy said.

He believes that Duma is a safety valve and the president and government would benefit if they come to terms with it, because during the election campaign they would be able to blame their own fatal mistakes in home and foreign policies on the law-makers: look, they meddled all the way and we had no chance to work normally.

Zhirinovskiy believes that Duma with its limited rights as a matter of fact covers the executive authorities and deflects part of the people's anger about the economic and political situation in the country.

The LDP leader believes that to postpone or cancel elections the president would have neither the money nor troops to maintain a state of emergency.

Zhirinovskiy says that if President Yeltsin chooses to disband Duma, he will show just one more time that he is an outright dictator.

LDPR Favors Impeachment

*LD2306222495 Moscow INTERFAX in English
1805 GMT 23 Jun 95*

[FBIS Transcribed Text] Moscow, June 23 (INTERFAX) — The Liberal Democratic Party of Russia (LDPR) parliamentary group decided today to add the signatures of its members to the list which has been collected since the beginning of the procedure of impeaching President Yeltsin.

"Deputies can no longer tolerate this regime whose very existence is offensive for Russia and for Russians,"

the LDPR faction's press service said in a statement circulated in Moscow.

"The collapse in the country has reached a terrifying scale." The events in Budennovsk, where a group of Chechen gunmen took over 1,000 hostages, killing over 100 of them, have clearly revealed both the degree of the collapse and the fact that it is of no use to accuse the power ministers of this. "The reason for the illness must be cured rather than its external signs," the LDPR said.

Thus the LDPR explained its active participation in initiating the no-confidence vote in the cabinet.

The LDPR has for a long time been unwilling to come out against the Russian president, who was elected by the people, the LDPR faction said.

However, when the head of state "violating all democratic and ethic standards initiated a panic" and spoke about "some death sentence" which the State Duma had reserved for itself by its democratic action, the LDPR faction decided to "free the country of the calamity" which threatens it and to join those who are in favor of impeaching Yeltsin.

Public TV Seen as 'Political Privatization'

*LD2306135595 Moscow INTERFAX in English
1222 GMT 23 Jun 95*

[FBIS Transcribed Text] Moscow, June 23 (INTERFAX) — Claims by State Duma deputies that the creation of Russian Public Television (ORT) is "political privatization" came true when ORT refused to show the State Duma's debate on no confidence in the government on June 21 but reported about the extended cabinet meeting the next day in detail.

Declaring this at a news-conference on Friday, Chairman of the State Duma Committee for Labour and Social Support Sergey Kalashnikov stressed that the electoral alliance Russia Is Our Home started its activity "with the total seizure of TV and radio broadcasting."

State Duma Deputy Chairman Gennadiy Seleznev reported that the parliament's lower house was setting up "a mini TV and Radio station of its own" and hopes that it will be funded out of the federal budget next year.

Asked by INTERFAX whether the State Duma may set up an All-Russia newspaper of its own, Seleznev stressed that he stuck to the "former position that no one in power can be the founder of any publication."

He declared that ROSSIYASKA GAZETA just like ROSIYSKIYE VESTI "should be free" newspapers rather than belong to the Russian government.

Duma Approves Bill on Refunds for Wage Debts*MK2406124095 Moscow SEGODNYA in Russian
24 Jun 95 p 1*

[SEGODNYA report: "Law on Refunds for Delayed Wages Gets Approved"]

[FBIS Translated Text] The lower house passed second reading of a draft law on refunds for delays in the payment of wages, pensions, and stipends yesterday. Under this law, those guilty of delays are obliged to pay fines. Those guilty of delaying payments for more than three days are also obliged to pay the moneys due and refunds at the established rate. Sergey Kalashnikov, Duma labor and social support committee chairman, thinks, however, that the president will not sign the law because today's biggest debtor is the state.

Duma Passes Law on Joint Stock Companies*LD2306222695 Moscow INTERFAX in English
1841 GMT 23 Jun 95*

[FBIS Transcribed Text] Moscow, June 23 (INTERFAX) — Russia's parliament Friday passed a law on joint-stock enterprises, to supplement relevant Civil Code articles.

A senior member of parliament said the most important part of the law are its provisions "to protect the rights and interests of shareholders." For example, shareholders have received the right to proportional representation in their enterprise's management and to buy extra shares if these are issued by the company, said Sergey Burkov, chairman of the lower house Committee on Property, Privatization and Economic Activity.

The law also orders joint-stock companies to give more information about their operations.

Regional Affairs**Peace Talks Continue in Grozny****Negotiators Fail To Compromise***LD2306120795 Moscow ITAR-TASS in English
1125 GMT 23 Jun 95*

[By Oleg Velichko]

[FBIS Transcribed Text] GROZNY, June 23 (ITAR-TASS) — The Russian and Chechen peace negotiators failed to reach compromise on a series of political issues in the Chechen capital Grozny, an informed source in the Russian delegation told Tass.

The Dudayev's representatives still insist on the validity of the 1991 constitution which proclaimed Chechnya's independence.

The Russian side cannot accept this stand, and the governmental delegation reiterated the necessity of preserving the integrity of the Russian state, the source said.

The Russian party denounced Aslan Maskhadov's statement that the Chechen party did not intend to extradite Shamil Basayev who had led a bloody attack on the southern Russian town of Budennovsk killing over 100 citizens, according to the source.

Arkadiy Volskiy, a member of the Russian delegation, is expected to fly to Moscow on June 24 to brief the Russian government on the course of negotiations in Grozny.

Volskiy: Split Over Chechnya's Status*LD2306135795 Moscow INTERFAX in English
1222 GMT 23 Jun 95*

[FBIS Transcribed Text] GROZNY, June 23 (INTERFAX) — The Russian government delegations and pro-Dudayev militants holding talks in Grozny are mainly split over Chechnya's future status.

Member of the Russian delegation, President of the Russian Industrialists and Entrepreneurs' Union Arkadiy Volskiy, made this statement in an exclusive interview with INTERFAX. He said the Chechen delegation was putting forward a provision under which the constitution adopted in 1991, during Dudayev's rule, will be valid, while Russia insists on including a provision on Russia's territorial integrity in the final document.

"First we thought that the other side would take an irreconcilable stand," Volskiy said. However, a gradual rapprochement of the two sides' positions could be observed, he added.

According to Volskiy, the two sides are close to a compromise under which free elections will be held in Chechnya and only then will its status be discussed.

Volskiy said he will leave for Moscow Saturday to report the results of the talks to the Russian government. He said he expected to meet Prime Minister Viktor Chernomyrdin in Moscow.

The head of the Chechen delegation, Usman Khodzhayev, said Friday pro-Dudayev militants will continue to observe the moratorium on military operations.

Answering INTERFAX questions, Volskiy said the Russian side had made the same decision. However, the moratorium does not extend over search and detention of Shamil Basayev's terrorist group which assaulted the town of Budennovsk in the Stavropol region on June 14, he said.

Volskiy said the Russian delegation condemned Chechen Chief-of-Staff Aslan Maskhadov, saying that they will not take real steps to extradite the terrorists to Russia. According to Volskiy, the Chechen delegation took this statement into account.

Volskiy remarked that representatives of Chechnya's National Revival Government and the National Accord Committee attended the talks. "We do our best to make the final document on the results of the talks satisfy all the three sides," he emphasized. He said the government representatives and the Chechen delegation had held bilateral consultation earlier this afternoon.

Chernomyrdin Instructs Delegation

*LD2306160295 Moscow NTV in Russian
1500 GMT 23 Jun 95*

[FBIS Translated Text] We have just received the latest report from Samara — another statement by Prime Minister Viktor Chernomyrdin which is sensational in its way. Chernomyrdin said that he had given the Russian Government delegation the task of not leaving the talks in Grozny until further notice. The prime minister said he would do everything possible to stop the war in Chechnya which he very harshly called carnage.

Maskhadov Confirms War 'Ended'

LD2306195495

[FBIS Editorial Report] Moscow NTV in Russian at 1500 GMT on 23 June carries a two-minute Correspondent Andrey Cherkasov report for the "Segodnya" program from the Chechen peace talks in Grozny. As Chechen Chief-of-Staff Aslan Maskhadov is seen arriving at the talks, Cherkasov asks: "Can you confirm what Usman Imaev said yesterday, that the war has at last ended?" Maskhadov replies: "Yes."

Shirvani Basayev, Shamil Basayev's brother, also comes to the talks. Cherkasov asks him: "Did you expect your brother to do such a thing?" Shirvani Basayev smiles, then replies: "There is a proverb: If driven into a corner, even a mouse will bite."

Cherkasov notes that all roads are closed in the vicinity of the OSCE (Organization for Security and Cooperation in Europe) mission, where the talks are being held, but Chechen women demonstrators again held a noisy rally near the mission. The new Chechen militia fired from automatic weapons over the heads of the demonstrators, but did not succeed in dispersing them. Cherkasov reports that eventually the demonstration calmed down, but "tension could still be felt in the air."

The talks discussed the technical details of implementing the military accords reached, Cherkasov reports. An observers' commission will be involved in disarming the fighters and the local population. "All who voluntarily give up their arms will receive a document releasing them from criminal responsibility," Cherkasov notes. "For its part, Moscow has promised to begin the gradual withdrawal of Russian units, but the number depends directly on the situation in the republic. The Interior Ministry will leave 2-3,000 people in Chechnya, that is, four battalions, one of which will be motorized, to maintain order in Grozny. Another three operational battalions will monitor the situation in other parts of the republic. The Russian Ministry of Defense will leave one motor-rifle brigade; all the other units will in time be transferred to their permanent bases." Video shows Arkadiy Volskiy, the Russian government delegation member, arriving for the talks; the talks under way; women demonstrators; and Maskhadov and Shirvani Basayev arriving for the talks.

Russians Accused of 'Bullying'

*LD2306195595 Moscow INTERFAX in English
1554 GMT 23 Jun 95*

[FBIS Transcribed Text] GROZNY, June 23 (INTERFAX) - Usman Imaev, leading the delegation of Dudayev's supporters at the talks in Grozny, has accused the Russian negotiators of breaching earlier-secured agreements and bullying the Chechen delegation.

Imaev told journalists that on June 23 at 5:00 a convoy of armored vehicles entered the Pervomayskaya village and raided the community while searching for terrorists. Similar actions are underway in Samashki.

According to Imaev, the Chechen negotiators made an appropriate statement to the Russian counterparts and demanded a reply to this statement by the end of the working day.

"We stick to the moratorium on fighting," Imaev said and reported that all of Dudayev's units were ordered to unilaterally stop fighting with Russian troops as of today.

Imaev said that his delegation had been doing all it could to reach success at the talks, but it rejected the Russian leadership's use of force and diktat. He also reported that despite earlier promises, the federal troops had prevented those seeking to inform the Chechen delegation and OSCE about persons listed as missing from entering Grozny.

Premier Seeks To Halt 'Massacre'

*LD2306173195 Moscow ITAR-TASS in English
1603 GMT 23 Jun 95*

[By Boris Belyakov and Andrey Shtorkh]

[FBIS Transcribed Text] SAMARA, June 23 (ITAR-TASS) - "The federal authorities have launched a normal constructive dialogue with Dudayev's representatives for the first time since the beginning of the Chechen conflict, and I have instructed the Russian delegation not to leave talks in Grozny until a special regulation is issued," Russian Prime Minister Viktor Chernomyrdin told ITAR-TASS on Friday at a news conference in the course of his visit to Samara.

"I will do everything possible to stop the massacre in Chechnya," Chernomyrdin said.

The premier specially emphasised the importance of the fact that the Chechen side denounced the acts of terrorism and signed a protocol warranting to extradite Shamil Basayev, leader of the group that attacked Budennovsk, as a criminal.

Touching upon the June 29 session of Russia's Security Council which is to discuss the lessons of the Budennovsk drama, Chernomyrdin presumed that "the talk will be very serious."

The nation cannot live in an atmosphere where terrorists receive an opportunity to freely carry out all their threats, despite the fact that competent bodies are aware of their intentions in advance, the prime minister stressed.

In spite of the harshness of his tone, Chernomyrdin failed to name at least one concrete person or organisation directly responsible for the terrorist act in Budennovsk.

"The days of anguish during the Budennovsk events, when the entire country was under great tension, have drawn us closer together, and we have to uphold this closeness," the Russian premier said in conclusion.

Agreement Reached on Elections

*LD2306193895 Moscow INTERFAX in English
1805 GMT 23 Jun 95*

[FBIS Transcribed Text] Grozny, June 23 (INTERFAX) — The delegations of the Russian government and of the Dudayev supporters holding talks in Grozny reached an agreement Friday on the terms of holding free elections in Chechnya where observers will be present. Lecha Magomadov, first deputy president of the Chechen National Accord Committee, told journalists.

The two sides agreed to settle all issues from now on "by peaceful political means only," vowing to renounce the blood feud, said Magomadov.

He also said that they "indefinitely extended the moratorium on hostilities."

The talks are "going according to schedule," he said. He said the possible participation of Dzhokhar Dudayev in the future elections would be discussed at the next round of talks when the two sides will adopt a document on the elections.

Arkady Volskiy, a member of the Russian delegation, said he is "mostly satisfied" with the results of the talks.

Magomadov said the two sides announced a working break in the talks that are expected to resume Tuesday afternoon. They will take place either in the building of the territorial department of federal executive bodies in Grozny, or in the building of the OSCE mission in the Chechen capital, or in the village of Bamut.

More on Elections Agreement

*LD2306200595 Moscow ITAR-TASS in English
1929 GMT 23 Jun 95*

[By Oleg Velichko and Nikolay Zagnoiko]

[FBIS Transcribed Text] MOSCOW, June 23 (ITAR-TASS) - The Russian governmental delegation and Dzhokhar Dudayev's representatives hold talks on a peace settlement of the conflict in Chechnya in Grozny and reached an agreement on holding free political elections in the Chechen republic to be monitored by independent observers.

The election regulations will be discussed at the next round of talks which is scheduled for June 27, Lecho Magomadov, Deputy Chairman of the Committee for National Accord, said here today. In this connection, he noted that "possible participation of Dzhokhar Dudayev in the elections will be considered within the framework of these regulations."

The two sides also spoke about the extension of the moratorium on combat actions in Chechnya for indefinite time. Experts will study thoroughly the agreements on military issues reached on June 21 in the near future.

Former Chechen Prosecutor-General Usman Imayev assured that all signed documents "do not have retrospective action" from the Chechen side.

A working interval was announced at the talks which have been conducted since June 19. Their next round will start on June 27 and will be held at the mission of the Organisation for Security and Cooperation in Europe (OSCE) in Grozny or at the territorial department of

executive power bodies headquarters in Chechnya, or in the populated locality of Bamut in the southwest of Chechnya.

The Russian delegation included Vyacheslav Mikhailov, head of the delegation and First Deputy Minister of Nationalities and Regional Policy, Nikolay Semenov, Vice-Premier and head of the territorial department of federal bodies of executive power in Chechnya, Arkadiy Volskiy, President of the Russian Union of industrialists and entrepreneurs representing the public, and Colonel-General Anatoliy Kulikov, commander of the joint grouping of the federal forces in Chechnya.

Representing Dudayev's side at the talks were Usman Imaev, former Chechen Prosecutor-General of Chechnya (head of the delegation), Aslan Maskhadov, Chief of the main staff of Dudayev's armed troops and head of Dudayev's department of culture, and at the final stage of the talks — Akhmed Zakayev, one of the field commanders, Akhyad Idigov, Chairman of the former parliament of the republic, as well as Shirvani Basayev, one of the field commanders, brother of terrorist leader in the town of Budennovsk in southern Russia Shamil Basayev, as a consultant.

Volskiy is expected to fly to Moscow on June 24 where he will inform the Russian government about the results of the talks in Grozny.

Dudayev Envoys Demand Resignations

LD2306195895 Moscow INTERFAX in English
1805 GMT 23 Jun 95

[FBIS Transcribed Text] GROZNY, June 23 (INTERFAX) — At the talks with the Russian government delegation in Grozny Friday Dudayev's representatives raised the question of the resignation of the National Accord Committee head Umar Avturkhanov and of Salambek Khadzhiyev, Prime Minister of the interim Chechen government installed by Moscow, informed sources close to the OSCE [Organization for Security and Cooperation in Europe] mission, in whose building the talks are being held, told INTERFAX.

The sources say the question will likely be raised again at the new round of talks, to begin next Tuesday.

They say the Russian delegation intends to inform the government about the Dudayev representatives' proposal and it will also ask to find compromise candidates for the posts. The candidates must have the Chechens' respect. In addition, at the next round of the talks the negotiators plan to return to the discussion of the status of the Chechen republic and of Dzhokhar Dudayev's political future. They will also work on the

details of the document on elections in Chechnya as one of the political issues.

Baturin Urges 'Compromise'

MM2306153495 Moscow IZVESTIYA in Russian
24 Jun 95 p 1

[Unattributed interview with Yuriy Baturin, Russian president's national security adviser; place and date not given: "Moscow-Grozny: Compromises Needed. Russian President's National Security Adviser Yuriy Baturin Answers IZVESTIYA's Questions"]

[FBIS Translated Text] [IZVESTIYA] Yuriy Mikhaylovich, President Yeltsin has just called for the political settlement of the conflict in Chechnya to be stepped up, noting that previously there was a lack of political will and flexibility to achieve that. Does this mean that the authorities are abandoning strong-arm methods of resolving the conflict?

[Baturin] Military force is the kind of instrument that it is better not to use or to use only in cases of extreme need. Resorting to arguments based on force changes the conflict situation in such a way that it is impossible to say "stop" and achieve a result straight away.

In the past few months, Russian President Yeltsin issued a series of orders and instructions aimed at achieving a political settlement in Chechnya. Nevertheless, this process is becoming protracted. After talking at the government session about the lack of political will and flexibility, the president went on: "The very possibility of any compromises has been prevented."

Well, this is one method of conducting talks. It consists in securing a strong enough position for yourself to force your opponent to agree to talks because he is convinced that further struggle is useless. That is what has happened.

But generally speaking the problem which triggered a crisis such as that in Chechnya cannot be resolved without compromise. That is confirmed by the results of the current talks in Grozny. The difficulty is that sides which are not accustomed to mutual concessions are bound to be suspicious of the motives which prompted the other side to agree to compromise. If anyone draws the conclusion that a readiness for concessions indicates a weakness of the federal position they would be mistaken.

The tragedy in Budennovsk or, more accurately, the large-scale terrorist action unprecedented even in the history of international terrorism, was a turning point in the de-escalation of the Chechen crisis. From the military viewpoint this was the Dudayev forces' tacit ad-

mission of military defeat and of the loss of control over the military formations. But it is still not capitulation.

[IZVESTIYA] Do you think that the condemnation of terrorism by the Chechen delegation at the talks was an enforced diplomatic move? Many people simply doubt that anyone is going to hand Shamil [Basayev] over.... But a criminal can be caught and judged not only in war.

[Baturin] You will note that the federal authorities' delegation demanded the open condemnation of the terrorist act committed in Budennovsk and the surrender of S. Basayev and his group to the law enforcement organs whereas Dudayev's delegation made a general statement condemning all terrorist acts.

Basayev's comments on the difference between terrorism and sabotage are well known. But three days before the attack on Budennovsk an Austrian magazine published an interview with Dudayev headlined "We Need War. The Spread of the War to Russian Territory Is Not Just Terror But An Objective Fact Which Does Not Depend on Me." That is self-explanatory.

As for the punishment of terrorists, they must be subjected to criminal prosecution on the territory of the Russian Federation, including in Chechnya. And even if they succeed in escaping abroad there are international legal norms designed to ensure that their extradition is inevitable.

[IZVESTIYA] What is your personal prediction for the situation in Chechnya where there is "neither war nor peace" today?

[Baturin] In my position any prediction that I make will always have an official air to it, no matter how I qualify it. So let us follow the course of the talks attentively. They will be difficult and the main issue is being resolved there now. I have faith in a favorable and peaceful outcome to the Chechen crisis. The president and the prime minister adhere to the same positions.

But a number of factors must be taken into account:

- a section of the illegal armed formations will accept a moratorium, lay down their arms, and disband themselves;
- another, smaller, section will remain in their old positions, and attempts at sabotage and terror are likely from them;
- there will clearly also be isolated terrorists and saboteurs and the blood feud tradition must be taken into account.

But the bulk of the illegal armed formations' members will return to their families.

On the whole the process of Chechnya's return to a normal life will depend crucially on how quickly the economy and law and order in the republic are restored. People have grown tired of chaos, devastation, and criminal anarchy.

Update on Chechnya Battlefield Situation

Russian Serviceman Killed in Attack

LD2406053995 *Moscow Radio Rossii Network in Russian* 0500 GMT 24 Jun 95

[FBIS Translated Text] One Russian serviceman was killed and one wounded in the past 24 hours as a result of repeated violations by Chechen fighters of a moratorium on military actions, ITAR-TASS has been told by a spokesman of the command of the joint grouping of federal forces. He said the federal troops are honoring the agreement and are not carrying out combat actions. Only once did they open retaliatory fire when the fighters attacked a post at a railway station in southern Chechnya.

Bomb Derails Passenger Train

LD2406175895 *Moscow ITAR-TASS World Service in Russian* 1742 GMT 24 Jun 95

[FBIS Translated Text] Moscow, 24 Jun — Eight passenger carriages were derailed by an explosion at 1510 GMT today between Makhachkala and Gudermes (on the border between Dagestan and Chechnya). An ITAR-TASS correspondent learned this from Russian Railways Minister Gennadiy Fadeyev.

The explosive device went off on the track when Makhachkala-Astrakhan Passenger Train 651 was passing at a speed of 50 km per hour.

According to preliminary information no-one was killed. Rail traffic in the area has been halted. Restoration work is under way.

Russians Allege Cease-Fire Violations

LD2506134895 *Moscow INTERFAX in English* 1208 GMT 25 Jun 95

[FBIS Transcribed Text] MOSCOW, June 25 (INTERFAX) — During the last day Chechen illegal armed formations violated the moratorium on military actions (concluded for the period while talks between the Russian government delegation and Dzhokhar Dudayev's supporters are held) at least five-seven times, the federal forces in Chechnya joint group's staff told INTERFAX today.

In particular, Dudayev formations attacked federal troops in the Shatoy Region, near the Bamut Village

and in the Botlik District on the border with Dagestan where Russian border guards came under fire. Federal troops had to fire back for self-defense.

According to the same source, during the fighting between federal forces and Chechen illegal formations on June 24 four defense ministry servicemen were wounded, two interior ministry servicemen were killed and four — wounded.

The federal forces staff said separate Dudayev formations were continuing fighting because they were split and did not have communication between them or single command.

Chechens Fire on Federal Troops

LD2606075095 *Moscow ITAR-TASS in English*
0700 GMT 26 Jun 95

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNY, June 26 (ITAR-TASS) — Last night, Chechen rebels repeatedly opened fire at federal troops in Chechnya. Commander of the Interior Ministry forces in Chechnya Anatoliy Shirokov reported that four attacks were launched against federal troops near Bamut-Orekhovo, fifty kilometres southwest of Grozny. Mortars, grenade launchers and small arms were used in the attacks, the Russian commander said.

He reported that the federal troops returned fire to suppress the attackers. Two men were wounded. Four other wounded servicemen were brought to hospital from other areas where clashes occurred. Lieutenant-General Anatoliy Shirokov reported.

Dudayev Said in Itum-Kule

LD2606110495 *Tbilisi IPRINDA in Russian*
1015 GMT 26 Jun 95

[FBIS Translated Text] Tbilisi, 26 Jun (IPRINDA) — An IPRINDA correspondent learned from reliable sources that today Dzokhar Dudayev, together with his armed associates, is in the village of Itum-Kale and intends to join Shamil Basayev's unit in the settlement of Argun. The source also says that the retreating part of Dzokhar Dudayev's armed units is moving toward the border with Georgia. According to some reports, the Chechen president himself intends to reach Abkhazia through the Avadkhara Pass in the Gagra district of Abkhazia.

Ossetia-Ingushetia Situation Deteriorating

954F2598A *Moscow MOSKOVSKIYE NOVOSTI*
in Russian No 38, 28 May-4 Jun 95 p 10

[Article by Yevgeniya Klimenko: "Who Needs State of Emergency II?"]

[FBIS Translated Text] The fragile peace between the Ingush and the Ossetians cracked on 26 May. On this day the parliament of Ingushetia expressed for the third time no confidence in Vladimir Lozovoy—head of the Provisional State Committee of the Russian Federation for Elimination of the Consequences of the Ossetian-Ingush conflict. The reason for the demands for Lozovoy's resignation were the bloody events in three villages of the disputed Prigorodnyy Rayon—Dongaron, Chermen, and Kurtat. Ingush refugees had returned to them without the authorization of the Provisional State Committee. The Federation Council of Russia had by this time lifted the state of emergency in Prigorodnyy Rayon. The buses carrying the refugees were met by a hail of rocks and gunfire. On the first night three refugees were killed, 21 wounded. The internal forces adopted a position of noninterference, citing as justification the fact that the state of emergency zone had been abolished. The North Ossetian police also declared neutrality. The argument was over people's refusal to submit to Lozovoy's order that they return to Nazran. On 27 and 28 May local gangsters torched the mobile homes of the refugees allocated them by the State Committee for Emergencies of Russia. The parliament of Ingushetia sent the OSCE, the United Nations, and the State Duma of the Russian Federation a note of protest. It says that the republic is overpopulated with refugees from Chechnya and North Ossetia's Prigorodnyy Rayon: There are approximately 200,000 of them against 385,000 of the local population. In this same document the parliament accuses Lozovoy of dragging out the time of the return of the refugees. In turn, Lozovoy and Akhsarbek Galazov, president of North Ossetia, are insisting first on the creation of an infrastructure—homes, roads, and a water-supply system—and then people's return may be discussed.

The Federation Council of the Russian Federation, having lifted the state of emergency in Prigorodnyy Rayon, deems its extension imprudent. It had been extended four times. The limit had, from the political standpoint, been reached. A solution was found in the provisional administration being given the status of state committee with the functions of ministry for emergencies. The signboard has been changed, but the team headed by Lozovoy remains the same. But its powers have been cut back—the internal forces do not have the right to intervene in the Ossetian-Ingush strife.

The result: Exchanges of fire have been breaking out since 26 April, since the cancellation of the state of emergency, even in the villages to which approximately 2,300 refugees have returned with the permission of the provisional administration.

To avoid clashes, the Ingush side is proposing the imposition of direct federal rule. The parliament of North Ossetia considers this inexpedient. Since the elections of the new parliament of North Ossetia on 26 March 1995, as a result of which the five Ingush deputies lost their status and the inhabitants expelled from Prigorodnyy Rayon did not take part in the election campaign, the position of Vladikavkaz has been to leave everything as it is. That is, to return the refugees to the control of Lozovoy's committee and the North Ossetian police, which is making it possible to filter the flow of refugees. But in the three years of the state of emergency North Ossetia received from the federal center over 85 billion rubles, which were not spent as intended, since the villages of Prigorodnyy Rayon have remained destroyed. Nazran is insisting on the allocation of money to the victims directly, via federal structures. The problem is once again being returned to the parliament of Russia, which is not offering prescriptions for a solution. The Ossetian-Ingush conflict is simply being frozen by Moscow as a means of pressure on the two North Caucasus republics.

Regional Officials React to No-Confidence Vote

Voronezh Official Opposes Vote

MM2606104395 Moscow ROSSIYSKAYA GAZETA
Weekend Edition in Russian 24 Jun 95 p 3

[Report by Gennadiy Litvintsev under the general heading "Someone's Ambitions Instead of Common Cause?"]

[FBIS Translated Text] Gennadiy Makin, first deputy head of the Voronezh Oblast Administration:

The results of the Duma vote on the no-confidence motion show that deputies are concerned not with state interests in their real sense, but with their own new electoral campaign. There is no other explanation for why it was necessary to rock the administrative boat once again. After all, the situation in the country remains relatively complex.

The government has displayed its capability over the past year, and the first signs of stabilization are starting to appear in the economy. Why push all that aside? I can agree that by no means everything has been done to make existing problems less acute, or that the Budennovsk tragedy could have been prevented. But a motion of no confidence in the government is not

the way to achieve success. Quite the opposite. More than ever our society needs unity and harmonious work between all branches of power.

Tambov Official: Reshuffle Needed

MM2606104695 Moscow ROSSIYSKAYA GAZETA
Weekend Edition in Russian 24 Jun 95 p 3

[Report by Yevgeniy Pisarev under the general heading "Someone's Ambitions Instead of Common Cause?"]

[FBIS Translated Text] Ivan Shcheglov, deputy head of the Tambov Oblast Administration for economic affairs:

Having voted for the government's resignation, the State Duma failed to amass the required number of votes to force the resignation of the security structure ministers. Although it is they above all who are responsible for the escalation of the Chechnya crisis. Viktor Stepanovich Chernomyrdin has done everything possible to stop the tragedy, but he has been blamed for the shortcomings of others. In my view, it is too soon for the Chernomyrdin government to resign. But a reshuffle of the power ministries is needed. The day before yesterday I visited the Kotovskiy Plastics Plant. The workers there were of the view that the government may be good or bad, but in the current situation it is taking all the measures needed for stabilization.

Tula Governor: Actions 'Destabilizing'

MM2606104995 Moscow ROSSIYSKAYA GAZETA
Weekend Edition in Russian 24 Jun 95 p 3

[Report by Nikolay Kireyev under the general heading "Someone's Ambitions Instead of Common Cause?"]

[FBIS Translated Text] Nikolay Sevryugin, governor of Tula Oblast:

Most Russian citizens now want peace and stability. The State Duma deputies' actions can only be described as destabilizing the situation. They reflect above all the ambitions of certain leaders of political blocs and cannot be supported by the Russian people.

The situation in Tula and the oblast is calm. There have been no cases of extremism. Even the most unbridled parties are being quite restrained. The security measures that have been taken are aimed at preventing any of the possible reprisals which the Dudayev gunmen have threatened to take against Russia.

Vladimir Official: Duma Actions 'Populist'

MM2606105095 Moscow ROSSIYSKAYA GAZETA
Weekend Edition in Russian 24 Jun 95 p 3

[Report by Yuriy Shatalov under the general heading
"Someone's Ambitions Instead of Common Cause?"]

[FBIS Translated Text] Yuriy Vlasov, head of the
Vladimir Oblast Administration and Federation Council
deputy:

Given that the State Duma decision is directly linked to
the well-known events in the North Caucasus, we can
easily conclude that it is purely political in nature and
has nothing to do with the economic problems facing the
regions and the government. What is also worrying is
that the motion of no confidence in the government was
passed almost immediately after the president signed the
law on elections to the State Duma. Consequently, there
are fears that the decision was not so much political as
populist.

The State Duma deputies' desire to be renowned as
"good" protectors of the people in the struggle against
the "wicked" government is understandable. But their
total disdain for their voters' urgent needs and interests
is not — since this decision will definitely divert the
government from its painstaking work on economic
problems and force it to get embroiled in a political
battle at perhaps the worst possible time.

**'People's Power' Association Registered in Pskov
Oblast**

MM2606122495 Moscow SELSKAYA ZHIZN
in Russian 24 Jun 95 p 3

["Political Diary" report by Viktor Karpov: "Whose
Home Will Russia Be?"]

[FBIS Translated Text] The "party of government,"
which officials and "new Russians" have been incul-
cating throughout Russia with the style and lack of
ceremony characteristic of the new nomenklatura has
acquired a strong rival in Pskov Oblast. The "Peo-
ple's Power" Electoral Association has been registered
here and has already set to work. It comprises regional
branches of left-centrist parties and movements — the
Communist Party of the Russian Federation, the Social-
ist Party of Working People, and the Congress of Rus-
sian Communities, along with the oblast trade union
council, the "Unity" Trade Union, and representatives
of the oblast union of commodity producers. Agrarians
formed the backbone of the new bloc: The oblast organs
of the Agrarian Party of Russia and the Agrarian Union
are co-founders of the association.

G.N. Bubnov, well-known in Pskov Oblast recently as
an organizer of agricultural production and now deputy
chairman of the oblast assembly of deputies, has been
elected leader of "People's Power." We give him the
floor.

"The creation of the 'People's Power' electoral bloc,"
G.N. Bubnov stressed, "is the result of the quests for
possible means of consolidating left-centrist forces in
the oblast. Our coalition's durability will be tested in
1995-1996 during the coming electoral campaigns —
ranging from elections of municipal and provincial or-
gans of power to Russia-wide elections. The 'People's
Power' Association sees them as the last chance of
bringing to power people who are capable of overcom-
ing the destructive consequences of the policy imple-
mented by our current rulers. We will nominate our
candidates, send representatives to all electoral commis-
sions, and canvass the population in order to obtain the
maximum turnout at polling stations. To this end propa-
ganda, information and analysis, publishing, and other
groups are being set up within the association."

Thus the main "protagonists" in the coming election
race have made their presence known. It is typical
for the province to have overtaken the capital. It is
also understandable. The main contest for votes will
be mounted here. Sociologists consider that the social
base of "People's Power" is far wider than that of the
NDR ["Russia Is Our Home"] or, as people here call
it, "Nomenklatura Home of Russia" [Nomenklturnyy
Dom Rossii]. But it will of course be hard even for
a left-centrist bloc that appeals to the masses to win
as many supporters as possible. After all, it is not
up against some clamorous mob but the "party of
government" with its obedient propaganda apparatus,
which controls the mass media and has extensive
opportunities to pressurize voters. And it is already
abundantly clear that a serious political struggle lies
ahead to win over voters, who alone will decide whose
home Russia will be.

Tatarstan Council Condemns Budennovsk Event

954F2612A Kazan RESPUBLIKA TATARSTAN
in Russian 22 Jun 95 p 1

[Statement of the State Council of the Republic of
Tatarstan in Connection With the Tragic Events in the
City of Budennovsk of Stavropol Kray]

[FBIS Translated Text] As a result of the tragedy in the
city of Budennovsk of Stavropol Kray, as a consequence
of the military operations in the Chechen Republic,
dozens of peaceful inhabitants more have been added
to the thousands of dead. The flouting of human rights
and the rights of the peoples continues.

And who can guarantee that this will not be repeated in other regions?

The absence of a clear-cut regional and nationality policy adjusted for the interests of each people of the Federation, the inadequate coordination and interaction of different branches of federal power, and relapses into a solution of political questions by power methods—and all this against the background of the Chechen crisis—are creating in Russia an atmosphere of unpredictability and alarm and could engender new centrifugal trends.

Taking hard the tragic events in the city of Budennovsk, the State Council of the Republic of Tatarstan states that, to prevent a recurrence and escalation of terrorist acts and to eradicate the causes of them in the North Caucasus, it is essential to immediately terminate all military operations in the Chechen Republic and embark on a full-scale political settlement of the conflict.

A condition of Russia's development along the path of further democratization and renewal is unconditional respect for internationally recognized human rights and the rights of the peoples and a renunciation of the solution of all controversial questions throughout its territory with the use of military force.

Novosibirsk Oblast Resolution on 1995 Budget Law
954F2595A *Novosibirsk SOVETSKAYA SIBIR*
in Russian 20 Jun 95 p 1

[Resolution of the Novosibirsk Oblast Soviet of Deputies of the First Convocation of the 11th Session: "On the Law 'On the Oblast Budget for 1995'"]

[FBIS Translated Text] The Novosibirsk Oblast Soviet of Deputies has resolved:

1. To adopt the law of Novosibirsk Oblast "On the Oblast Budget for 1995" (appended).
2. To send the present law to the head of the administration of Novosibirsk Oblast for his signature within two weeks.
3. To publish the present law in the newspapers SOVETSKAYA SIBIR and VEDOMOSTI NOVOSIBIRSKOGO OBLASTNOGO SOVETA DEPUTATOV within 10 days of the day it is signed.
4. The present law shall take effect from the moment of its publication. Articles 4, 5, 6, 7, 8, 9, and 11 of the law "On the Oblast Budget for 1995" have been in effect since 1 January 1995.

Article 1. The oblast budget of Novosibirsk Oblast shall be approved for expenditures in the amount of 1,541,337 million rubles [R] based on the projected volume of revenues in the amount of R1,278,699.7 million.

The maximum amount of the oblast budget deficit shall be set at R262,637.3 million.

The directorate of finance and tax policy of the oblast administration shall provide for financing of the approved measures within the limits of revenues received.

The maximum amount of borrowing by the oblast administration shall be set at no more than 5 percent of the oblast budget.

Article 2. The working cash for the oblast budget as of 1 January 1995 shall be set in an amount of R20 billion.

Article 3. It shall be established that revenues into the oblast budget for 1995 shall be formed from:

- value-added tax,
- tax on the profit of enterprises and organizations,
- excise tax on drinking alcohol, vodka and liquors and other excise goods,
- tax on the property of enterprises,
- income tax from individuals,
- a special tax for financial support of the most important branches of the national economy,
- revenues from privatization,
- other nontax revenues,
- transfers from the republic budget.

Article 4. In 1995 10 percent of the excise taxes collected on its territory shall be turned over to the budget of Kuybyshev.

Article 5. In 1995 the rates of tax on profit transferred to the budget of Novosibirsk Oblast shall be set in the following amounts:

- for banks, insurance organizations, brokerage offices, exchanges, and all enterprises—on profit received from intermediary operations and transactions—30 percent;
- for other taxpayers—22 percent.

Article 6. In 1995 the tax rates for individual types of revenues of enterprises for transfer into the budget of Novosibirsk Oblast shall be set in the following amounts:

- on revenues from video salons (video showing) and rental of video and audio cassettes for them—57 percent of the revenues;
- on revenues from casinos, gaming houses (sites) and other gaming business—77 percent of the revenues.

Article 7. In 1995 the rate of the tax on property of enterprises for transfer of payments into the budget of Novosibirsk Oblast shall be set in the amount of 2 percent of the taxable base, regardless of the form of ownership.

Article 8. In 1995 the rates of payment for water taken by industrial enterprises from water systems shall be set in the following amounts: R3 per cubic meter when water is taken from surface sources and R9 per cubic meter when water is taken from underground sources.

Article 9. Norms for deductions from taxes into the budgets of the rayons and cities of the oblast shall be set as follows:

- from tax on property of enterprises—50 percent,
- from value-added tax,
- and income tax from individuals (in the proportion due to the oblast budget),
- from taxable profit of enterprises, associations, and organizations.

Article 10. Expenditures on maintaining the housing supply of the Vektor scientific production association shall be transferred from the oblast budget to the budget of Novosibirskiy Rayon.

Article 11. It shall be established that the transportation tax collected from the enterprises, institutions, and organizations (except those that are budget-financed) shall be added to the budget revenues of the rayons and cities of the oblast.

Article 12. Subsidies shall be allotted from the oblast budget for 1995 for budgets of rayons and cities that are not provided with their own financial resources.

Article 13. A list of priority branches with budget financing and protected items of expenditures of the oblast budget subject to priority financing shall be approved.

Article 14. The distribution of allocations for capital investments from the oblast budget shall be approved.

Article 15. The practice of granting tax benefits to enterprises and economic organizations shall be halted. Decisions on additional financing shall be made only after careful consideration at all levels of the need for the requested sums and complete assimilation of previously allotted sums, regardless of their sources.

Article 16. The head of the oblast administration shall be permitted to make changes to the revenues and expenditures of the oblast budget and reciprocal settlements between the oblast budget and the budgets of the rayons and cities in compliance with legislative acts of

the Russian Federation and decisions of the Government of Russia, with subsequent reports to the Soviet on their implementation.

[Signed] Head of the oblast administration I.I. Indinok

[Signed] Chairman of the oblast Soviet of Deputies A.P. Sychev.

Novosibirsk Oblast Migration Detailed

954F2601A Novosibirsk SOVETSKAYA SIBIR
in Russian 15 Jun 95 p 2

[Review by G. Bessonova, chief of the Population Statistics Department of the Oblast Statistics Committee, under the "In the Mirror of Statistics" rubric: "The Desire for a Change of Scenery"]

[FBIS Translated Text] Last year migration processes were characterized by drastic changes in the volume and directions of the population's migration.

The migration-caused growth in the oblast population in 1994 increased almost fivefold as compared to 1993 and amounted to 20,100 persons. The considerable increase in this indicator was caused by a greater number of persons moving in from near-abroad countries and at the same time the decrease in the oblast residents' migration to those countries, as well as the positive migration balance with other areas of Russia.

It should be noted that the migration balance in the oblast had been negative since the beginning of 1960's due to the outflow of the rural population. During the 1970-1978 period the oblast population shrunk due to a population outflow by 6,500 persons a year on average, and during 1979-1988, by 2,200. Since 1991 we have seen a migration-caused increase in the population numbers, with migration accounting for more than half (52 percent) of the entire population increase in the oblast. The next year this increase largely compensated for the population loss due to natural population decline (migration: +3.3, natural decline: -3.4).

In 1994 the total migration flow (the sum of inflow and outflow) increased by 9 percent. Over the preceding five years we saw a sharp decline in territorial shifts (from 246,600 in 1989 to 150,000 in 1993).

In 1993-1994 positive migration balance was registered among both urban and rural population. But while in 1993 urban population accounted for only 25 percent of the total migration-caused growth, last year it accounted for 79 percent.

Last year for the first time we had a positive migration balance with all countries—republics of the former USSR (ranging from 28 persons with Lithuania to

12,633 with Kazakhstan). As during the preceding years, the main flow of immigrants came from Kazakhstan, Uzbekistan, Kyrgyzstan, and Armenia. They account for 17,700 persons in the migration flow (84 percent of all resettlers to the oblast from the near-abroad countries). With Kazakhstan, the inflow amounted to 14,700 persons, and the outflow—to 2,100 persons. As a result, the oblast population increased by 12,600, which is three times more than the increase generated by population flow from Kazakhstan in 1993.

The bulk of the arrivals is comprised of Novosibirsk Oblast natives, and their children, who had earlier moved to Kazakhstan. In addition to Russians and Ukrainians, Germans and Tatars immigrate from Kazakhstan. Of the total number of last year's arrivals from Kazakhstan, Russians account for 82 percent, Ukrainians—6 percent, Germans—5 percent, and Tatars—2 percent.

The migration balance increased considerably in the population exchange with Uzbekistan (by a factor of 2.7—from 980 persons in 1993 to 2,691 persons in 1994), Ukraine (ninefold—121 and 1,121, respectively), and Armenia (threefold—347 and 1,028); and declined with respect to Kyrgyzstan (by a factor of 1.6).

The outflow of oblast residents to Belarus, observable in the past, gave way to inflow last year (the positive balance amounted to 121 persons).

Russians comprise the bulk of all migration flow from the near-abroad countries. Last year Russians migrating into the oblast comprised 77.5 percent of the total balance with state and republics of the former USSR; Ukrainians accounted for 5.9 percent, Armenians—4.5 percent, Germans—3.5 percent, and Tatars—1.9 percent.

Of the total of 163,600 migrants, 76 percent moved from one place to another within Russia. For the first time in many decades, the oblast registered a population increase due to migration within Russia (by 1,900 persons).

The positive balance of inflow over outflow is mainly due to migration from the Far-Eastern (+2,900 persons) and East-Siberian (+1,000 persons) regions. In the environment of shrinking production, declining housing construction, and increasing unemployment, these regions ceased to attract the population by high earnings and other benefits. These days many people have the opportunity to earn a lot without changing the place of residence.

The oblast continues to lose population in the migration exchange with Moscow, Krasnodar Kray, and Rostov Oblast, as well as its neighbors in West Siberia (Omsk

and Tyumen Oblasts and Altay Kray). At the same time, it should be noted that as compared to 1993, the loss of population to our neighbors dropped off by a factor of nine. And while in 1993 the oblast had a positive migration balance only with Tomsk Oblast, last year Kemerovo Oblast was added to the list.

Within the oblast borders, 72,300 persons (44 percent of the migrating population) changed their place of residence. After a short pause (1992-1993) the flow of rural population to cities resumed. The migration-caused increase in the rural population last year is due only to new arrivals from near-abroad countries. Moves within the oblast reduced the rural population by 1,300 persons.

Factors restraining the flow of the rural population to cities are growing unemployment and difficulties with housing.

Among the new arrivals in the oblast, there is a growing number of persons who had been forced to leave their previous place of residence. According to oblast FMS [Federal Migration Service] data, by 1 January 1995 refugees and forced resettlers numbered 15,500, of whom 10,700 were registered last year.

Forced migrants prefer to resettle in the cities of Novosibirsk, Berdsk, and Iskitim, and Iskitimskiy, Ordynskiy, Cherepanovskiy, Dovolenskiy, Novosibirskiy, Moshkovskiy, and Karasukskiy Rayons. Not a single person settled in Severnyy Rayon.

Last year, about 5,000 oblast residents received MVD [Ministry of Internal Affairs] permits to leave to reside permanently outside the former USSR. According to statistical reports, last year 4,200 persons left the oblast and in 1993, 3,600. Among these, Germans account for 63 percent, Russians—27 percent, and Jews—more than 4 percent. Ethnic emigration is most characteristic of Germans, since most of them moved to Germany.

The migrants' age structure is more progressive than that of the population as a whole. The share of pensioners among migrants is almost two times lower and the share of persons of work-capable age—higher by 11 percentage points.

Let us look at the education level of the oblast population as a whole (the data of population micro-census) and of the population that participated in the migration exchange.

Per 1,000 population age 16 and over, have the following education

	all population	arrived	left
Higher, incomplete higher, and secondary vocational	395	42.1	40.7
General secondary	245	36.4	35.6
Incomplete secondary	203	13.6	14.5

As you can see, the migrants' educational level is higher than that of the oblast population as a whole.

Thus, migration processes in the oblast last year were characterized by the following trends in the population flow:

- increasing population inflow from the Northern, Siberian, and Far-Eastern regions;
- within the oblast, an emerging trend of rural population moving to cities;
- emigration outside former USSR remains significant.

Radon Said To Endanger Novosibirsk Oblast Residents

95WN0195A Novosibirsk VECHERNIY
NOVOSIBIRSK in Russian 16 Jun 95 p 19

[Interview with Aleksandr Mukhin, chief specialist of the city committee on ecology and natural resources, by Sergey Bobrov; place and date not given: "Radon, as Most People Know, Is a Gas. Is Radon as Terrible as It Is Painted?"]

[FBIS Translated Text] One of my acquaintances, after hearing about my next ecological article, became indignant: "Listen, perhaps there has been enough of frightening people with all kinds of nonsense! Radiation, phenols, formaldehydes... Before they did not know—and they lived more calmly. If we will know everything—will it become easier?.."

I can say one thing with confidence: If we remain in ignorance, it indeed will not become easier. Newspaper publications do not by themselves resolve problems, but they, probably, can speed up the adoption of measures by those in whose power it lies. Therefore, once again my interlocutor is Aleksandr Mukhin, chief specialist of the city committee on ecology and natural resources,

and the interview is devoted to a problem that is very urgent for Novosibirsk—radon.

Radon, as most people know, is a gas. The whole point is that it is radioactive. Being the product of the decay of radium-226, radon, in its turn, itself forms secondary products in the process of decay that also cause the main damage to our organism. "Thanks" to radon, we receive up to a half radiation dose. Radionuclides are everywhere—in the soil, building materials, and in our body. Radon is everywhere also.

[Bobrov] But then, what is the problem, Aleksandr Ivanovich?

[Mukhin] Novosibirsk is the only large city of Russia, and perhaps in the world, a large part of whose territory is on a granite foundation. But granitoid rocks, as is known, possess an increased content of natural radionuclides. That is, it turns out that there is an active foundation under us. From here we get the increased release of radon.

[Bobrov] How close does the granite lie here to the surface?

[Mukhin] It varies. The depth of a bedding fluctuates from 20 to 120 meters, and on the average—40-60. There are places where the granite comes to the surface—this, for example, is the Mochishche and the Borok quarries. Incidentally, the border of the granitoid bed goes through the Ina area. Everything beyond it—the Pervomayskiy Rayon, Akademgorodok—are already situated on shale, which is much less active. The general gamma background is also lower there. Granite takes up 70 percent of the city territory.

[Bobrov] It is clear that radon comes to the surface, penetrating through the rocks. But there are different kinds of rocks. Where is it the easiest for the gas to come through?

[Mukhin] The soil here is in the main loamy, and loam is a difficult obstacle. Sand is another matter—river valleys, for example. Moreover, there are all kinds of breaks and tectonic anomalies through which it passes. It is difficult to show specifically on a map the places that are most radon dangerous: The problem is only in the research stage.

It must be said that radon does not always reach the surface. Its period of semidecay is a little more than three days. It is thought that 10 periods of semidecay practically means full decay. That is, radon is dangerous, if it succeeds in getting to the surface in the first days.

[Bobrov] What specific damage does radon and its secondary products cause the organism?

[Mukhin] First of all, oncological ailments. Radon damage was noted for the first time at the end of the last century in iron ore mines situated on the territories of the former Czechoslovakia and the GDR. At that time an increased lung cancer sick rate was found among miners who were 50-55 years old—it was the cause of death in 60-80 percent of the cases. During research in the mines, a concentration of radon of from 10,000 to 700,000 Becquerels per cubic meter was detected. A Becquerel is a unit of measure that denotes one decay. After this they started to drill additional shafts for ventilating the mines.

In general, the problem of radon danger is acute only for covered spaces and buildings. In open spaces the gas, as a rule, instantly mixes with the air and evaporates. Buildings, bomb shelters, various catacombs, basements, and the like are another matter. On leaving the soil, radon accumulates in basements and penetrates the first floors of a building, forming a concentration to a greater or lesser degree. Special norms exist: For buildings that are being newly built the concentration of radon must not exceed 100 Becquerels per cubic meter, for those previously built—200, and, starting from a threshold of 400 Becquerels, measures must already be undertaken either through a lowering of the concentration of the gas in the air, or, through a full reorientation of a building, for example, from a dwelling to a warehouse, a production building, etc. In many countries, additional waterproofing is carried out to protect a dwelling, and provision is made to ventilate basements, to include the installation of ventilators.

For information. According to data provided by Valeriy Suslin, the supervisor of the department of radiation hygiene of the oblast center of the Russian Federation State Committee for Sanitary and Epidemiological Oversight, the concentration of radon on the fourth floor of a building is approximately 214 times lower than in basement premises and six times lower than on the first floors. In Novosibirsk more than 9 percent of the homes have an average annual concentration of radon higher than 50 Becquerels per cubic meter. In such homes the frequency of sickness from chronic lympholeucosis, erythremia, myeloma, lymphosarcoma, and others like this are higher by a factor of 1.2-2.4 than among residents of homes with a lesser concentration.

[Bobrov] It is commonly thought that a lot of radon emanates from building materials. How are things here in this respect?

[Mukhin] Fortunately, such a problem does not exist for Novosibirsk. Our building materials have always undergone good radiation control, and, in our apartments, as a rule, it is significantly lower than the norm—11-12

microroentgens per hour. This problem is more urgent for Omsk. There half the buildings are built from panels with an increased content of radionuclides.

[Bobrov] For sure, readers will be found who, after this publication, will decide unequivocally that to live on the first floor is terribly dangerous to health...

[Mukhin] Dangerous—yes. They can penetrate a ventilating window... But speaking seriously, we should not make such a serious conclusion. Yes, the dosage of received radiation is higher. But I will not say unequivocally how serious this is. According to the information of the same Suslin, the average American or Swede receives an annual dosage that is more by a factor of two or three than the average resident of our city receives. But he writes that Novosibirsk residents who live on the first floors should receive compensation for "involuntary radiation damage to health." In my opinion, it is simply necessary to be out in the air more and to ventilate the premises more frequently. After all, in the winter, it is not difficult to guess, the concentration of radon in homes is much higher than at other times of the year. First, the land freezes, and the ways for radon to penetrate the surface are covered for the most part, and the only thing that remains is—under the homes. Second, apartments are ventilated less frequently in the winter.

[Bobrov] Is there any information on the sickness rate of Novosibirsk residents associated with radon?

[Mukhin] No. This problem began to be studied in our country only after the Chernobyl catastrophe. In 1990, Berezovgeology conducted the first research on the concentration of the gas in the soil air. Today the part of the city that stands on the granite foundation has been examined in a network of 500 by 500 meters. Instant measures were made in some buildings. But this still does not say anything. Expositional research is necessary that would make it possible to disclose the average annual concentration; however, we are limited in resources. A decree exists that was approved by the government "On the Federal Special Purpose Program To Lower the Level of Radiation of the Population of Russia and Production Personnel from Natural Radioactive Sources"; however, Novosibirsk, strange as it may seem, did not end up on the list of radiation dangerous cities. In order to receive financing from the federal budget, it is necessary to conduct research, process data, develop a program, and submit it to the government. Our research is continuing this year.

[Bobrov] There are 10 medical radon boreholes on the territory of the city. So, there is water that has a concentration of radon. Does this mean that radon can enter our homes with the water?

[Mukhin] Actually, according to research data, the concentration of radon in bathrooms is several times higher than in the general rooms. The concentration increases especially after taking a shower. In northern countries, the permissible content of radon in water is 100,000 Becquerels per cubic meter. On the order of 10 percent of the people on Earth drink water with such a concentration and higher. I cannot say anything about water from wells; however, the concentration of radioactive substances in the drinking water in Novosibirsk is monitored every month.

[Bobrov] You mentioned two open quarries. Is there a danger of increased radon content in them?

[Mukhin] The concentration of radon in the air there is lower than the sensitivity level of the apparatus. It is another matter that the background there is generally higher than in other places in the city: the Borok quarry—15-18 microrentgens per hour and in Mochishche—up to 60. Those places have their own radiation safety services, and they monitor the situation. As for radon in homes, in one of the settlements in Mochishche during an instantaneous measurement, up to 800 and even 1,200 Becquerels per cubic meter were recorded.

[Bobrov] How radon dangerous are low places, basements, and metro premises?

[Mukhin] In homes situated in lower places, it is quite possible to note an increased concentration of radon. For example, in the floodlands of Yeltsovka. There is also data on basements and wells that talks about the accumulation of the gas. Measurements were also made in the metro. Preliminary research indicates that a problem exists there, but only for the employees, and then not for all. There is strong ventilation in the metro, and the most powerful concentration of radon occurs at night. The question is also urgent for those metro workers who spend a lot of time in the poorly ventilated premises...

...Well, there—my acquaintance will say—you frightened them again. And he will go to open the ventilation window. And he will buy a filter for water purification. And he will ask for a radiation-ecological passport for his dwelling in the department of radiation hygiene of the oblast Russian Federation State Committee for Sanitary-Epidemiological Oversight. And he will be right. But it means that I accomplished my mission...

Economic Issues

Central Bank To Weaken Dollar, Strengthen Ruble

MM2606084395 Moscow IZVESTIYA (Financial Section) in Russian 20 Jun 95 p i

[Commentary by Sergey Mitin: "Currency Review"]

[FBIS Translated Text] The Central Bank's intentions no longer leave anyone in any doubt — the dollar rate will fall fairly quickly. The main thing experts have to do now is to predict the moment when Neglinnaya Street [headquarters of Central Bank of Russia] determines the level of the stabilization of the national currency.

Andrey Kozlov, deputy chairman of the Bank of Russia, noted that "the revaluation of the national currency always accompanies the process of financial stabilization." In Kozlov's opinion, the normalization of the situation in the currency segment of the market is slightly outstripping the stabilization processes in the economy as a whole. Therefore a definitive alignment can be expected by the end of this year.

Experts from the Moscow Interbank Currency Exchange are writing that commercial banks are selling a lot of currency on customer orders. Thus it can be said that the Bank of Russia has provoked a flight from the dollar. According to the calculations of Igor Doronin, the Moscow Interbank Currency Exchange economic situation adviser, exports will clearly become loss-making if the rate of increase of the ruble continues to outstrip the rate of the increase of domestic prices.

In our view, this is the basic reason for a possible review of the tactics of the Central Bank. The present rate policy is quite explainable. The prevailing rate could scarcely have been called realistic. The dollar had de facto turned into a security whose rate the the government and the Central Bank had raised to help credit export sectors and rescue the population's savings from inflation. As a result, the number of dollars in Russia exceeded the volume of the rubles in circulation many times over. According to Viktor Gerashchenko, a Bank of Russia consultant, all that was left for us to do was to follow the path taken by Panama and introduce the dollar as our own monetary unit or strengthen the national currency.

The introduction of ruble reserves for currency accounts has formed a steady supply of currency, which has made it possible to bring the dollar rate down consistently.

Viktor Gerashchenko singled out two main problems — the difficult situation in export sectors and the reduction of the population's real accumulations. Before the elections, this may exert a big influence on the rate policy of the Bank of Russia.

The special feature of the current situation is also to be found in the fact that by accumulating currency and throwing trillions of rubles onto the market, the Central Bank is not saturating the economy with inflated money. All the rubles are backed by hard currency, and therefore the inflation effect, so the experts maintain, is reduced to a minimum. At the same time, the Ministry of Finance is pumping rubles out of the market via state short-term bonds and federal loan bonds. The plan looks very logical, but political reasons may prevent it from being fully implemented.

Trend in Declining Dollar Imports Observed

*MM2606092795 Moscow IZVESTIYA in Russian
23 Jun 95 p 2*

[Report by Ivan Zhagel: "Dollar Bank Notes No Longer Needed in Russia"]

[FBIS Translated Text] Since the beginning of the year, there has been a considerable reduction every month in cash currency imports into our country. Whereas banks brought \$2.6 billion in cash into Russia in January, the figure had dropped to \$1.5 billion in March and to \$0.9 billion in April. There are no current official figures for May but, according to preliminary estimates, the currency import figures this month will be no higher than April.

The above figures were obtained from Viktor Melnikov, director of the Central Bank of Russia [CBR] Currency Regulation Department. Although he agreed that February bucks this trend when just \$878 million in cash was brought in to the country, the trend is evident in principle, particularly when you compare it with last year when \$2-2.5 million was brought into the country every month.

In Melnikov's opinion, the fall in currency imports not only proves that some financial stabilization has been achieved but also that the Russian citizens' attitude toward the dollar has changed. The people have "switched to the ruble" and have come to believe that — albeit not in the long term but in the near future — it is better to keep their capital in national currency than in foreign currency.

The above fall in currency imports this February is very indicative here. It was the end of January or early February that saw an increase in interest rates on private deposits in commercial banks, including the Promstroybank and the Savings Bank. And ordinary citizens immediately began to put a large proportion of their income into ruble deposits rather than using it to buy hard currency. Admittedly, the rates now on private deposits have once again begun to fall, but at the same time the dollar rate of exchange has stopped rising and

today Russians are selling currency rather than buying it. It is no coincidence that during the afternoon, purchases of currency at most exchange bureaus generally stop because of a shortage of rubles.

Melnikov believes that the introduction of new, tougher rules on exchange operations and on the opening of exchange bureaus affected the reduction in currency imports to some extent. Now special administrations and currency control departments have been set up at each of the CBR's 80 territorial administrations, which, in conjunction with the militia, inspect all currency exchange bureaus at least once a quarter.

As a result, in 1994 1,884 exchange bureaus were closed down for various violations, and in the first quarter of this year similar steps were taken against 1,248 bureaus. At the beginning of the year 9,367 were officially registered in Russia, and by the beginning of April this figure had dropped to 7,897.

Admittedly, it has not yet been possible to fully eradicate the so-called unofficial exchange bureaus that operate without licenses and whose existence is unknown to the CBR. The CBR sees the following as the only means of combating them: Lists of exchange bureaus have now been handed to MVD [Ministry of Internal Affairs] organs and from there they are to be dispatched to district militiamen, who must also report all illegal currency operations on their territory.

On the one hand, the emphasis on district militiamen seems fairly naive, but on the other, one must admit that of late clearer rules and definite controls have appeared on the cash currency market. In conjunction with the macroeconomic stabilization measures, this may render the ruble our main currency and put the dollar out of daily circulation.

Gold, Currency Reserves 'Within Set Framework'

MM2306154895 Moscow IZVESTIYA (Financial section) in Russian 22 Jun 95 p i

[FINANCIAL INFORMATION AGENCY report under "News" rubric: "Gold and Currency Reserves Have Reached \$6.5 Billion"]

[FBIS Translated Text] As of 1 April, the Russian Federation's gold and currency reserves concentrated at the Central Bank had reached \$6.5 billion, including \$4.1 billion in currency reserves and \$2.4 billion in gold. According to figures from experts in the currency department of the Bank of Russia, Russia's net international reserves increased by \$0.3 billion in the first quarter and stood at \$2.6 billion. At the same time, physical gold stocks fell from 261.8 tonnes (in January 1995) to 249.2

tonnes (as of 1 April 1995). Meanwhile, in conversation with journalists, A. Potemkin, leader of the Central Bank's currency department, refused to comment on the quantitative growth of the Central Bank's currency reserves occasioned by the need to buy currency on the interbank exchange to curb the dollar's fall, pointing out at the same time that this process is within the set framework at present.

Laws on Savings Enhance Central Bank's Role

MK2406120095 Moscow KOMMERSANT-DAILY in Russian 24 Jun 95 pp 1, 2

[Report by Boris Boyko: "Insurance of Citizens' Deposits. There Is No Avoiding Enhancing Central Bank's Role"]

[FBIS Translated Text] The Russian parliament is ready to make substantial corrections to the national banking system. A system of mandatory deposit insurance is to be introduced with the participation of all banks that will come to share a sort of collective responsibility. A mechanism for the bankruptcy of banks is being defined for the first time. Such is the meaning of two draft laws developed by the State Duma budget committee's banking legislation subcommittee. Remarkably, the committees' really aim for an appreciably bigger role for the Central Bank, which is to contribute actively to the mandatory insurance fund and to remedy the finances of insolvent banks.

The draft laws were unveiled yesterday in a news conference by subcommittee chairman Pavel Medvedev, who was unusually emotional in defending the drafts. He must have been taking into account his own experience — unveiling a law on a monetary system a few years ago, he all of a sudden began to doubt that it should be passed. The document was thrown out that day.

The idea of the draft law "On a Federal Fund of Mandatory Insurance of Citizens' Deposits" is rather plain. Banks wishing to attract deposits from individuals are supposed not only to procure a Central Bank license but to also pay an entrance fee toward a special all-Russia fund that would guarantee the safety of citizens' deposits. The fee is supposed to be in proportion to the sum of deposits the bank attracts (the power to make decisions, measured in votes, should be in proportion to its fee paid toward the fund). Thus, in Pavel Medvedev's words, "banks are supposed to buy the right to collect a certain sum of money from the population." In addition to the admission fee, the banks would have to pay toward the fund regularly a certain percentage of the sum of the money deposited by citizens. According to Medvedev, the size of these

payments is yet to be determined, but major banks have already stated they are prepared to pay 1 or 2 percent of the funds attracted, "which, according to standards of world practice, are rather big payments." "Such a readiness indicated the banks' responsibility for the entire banking system," Medvedev noted with satisfaction. What happens next is simple: If a bank goes broke, all the expenses in compensation for the deposits are paid by the fund. It is for this reason, in Pavel Medvedev's words, that the bank's participants to the fund would be "vitaly interested that their neighbors act in good faith." Following which the speaker concluded: "We would ask the banks to keep an eye on each other."

In principle, the fund would be an additional body controlling the banking system. It should be noted that such a status of the fund also widens the Central Bank's possibilities because chairman of the fund's trusteeship council should necessarily be a Central Bank representative. More than that, the Central Bank will have, in addition to administrative, financial levers to control the fund: In Medvedev's admission, the fund will initially depend mainly on fees of the Central Bank itself.

The second draft law — "On Liquidation, Bankruptcy, and Reorganization of Banks" — also proved rather remarkable. Surprising as it is, concrete requirements for the procedure of recognizing a bank as insolvent are supposed to be for the first time incorporated into the legislation. Until now, banks have been equated with the rest of the enterprises. In accordance with the draft law, indications of bankruptcy are the failure of a bank to act on its pledges to at least one creditor within 20 days; the suspension by a bank, for 10 days, of payments to at least one client; and the presence in the course of 20 days of a balance due to the Central Bank under a correspondent account. Remarkably, this draft also calls for a bigger role for the Central Bank: It is the Central Bank that is supposed to be tasked with clearing up the finances of insolvent banks.

No 'Sharp' Market Response to No-Confidence Vote

LD2506175695 Moscow ITAR-TASS in English 1738 GMT 25 Jun 95

[FBIS Transcribed Text] MOSCOW, June 25 (ITAR-TASS) — "Neither currency, nor stock, nor any other market has responded sharply to the vote of no-confidence in the government recently passed by the State Duma," a Russian presidential aide said.

Aleksandr Livshits, Russian President Boris Yeltsin's aide on economic issues, told Itar-Tass on Sunday that the Duma's decision has not caused any upheavals in the country. The conflict has not gone too deep yet and

everything can be resolved peacefully, avoiding sharp confrontation, he said.

The economy needs stability and the government knows that. "What depends on the government is obvious, but much depends on the State Duma, too," Livshits added.

Work is almost complete on a number of important documents, such as the draft budget for FY 1996, key legislations, including on product sharing, on taxes on small businesses, on joint stock companies, on the stock market and additional budgetary spending in 1995, he said.

Livshits pointed out that the adoption of these documents should not be postponed and expressed the hope that President Yeltsin will give an "impetus to this process."

Population's Economic Dissatisfaction Grows

MM2306134295 Moscow IZVESTIYA in Russian
21 Jun 95 p 9

[Commentary by Vladimir Kosmarskiy and Tatyana Maleva, directors of the "Expert Analysis of the Situation in Russia's Social Sphere Conducted by the Russian Economy Ministry Center of Information and Social Technologies and the Institute of Economic Analysis": "A Large Part of Russia's Inhabitants Want To Return to the Past"]

[FBIS Translated Text] The proportion of those people who would prefer life to be as it was before 1985 has risen from 45 percent at the beginning of 1993 to 58 percent at the beginning of 1995. That is the result of the polls conducted by the All-Russia Center for the Study of Public Opinion on Social and Economic Questions [VTsIOM]. This nostalgia is largely due to the mistakes made in social policy. On every specific occasion where the government had a choice, the decision that it made did not benefit the real needs of ordinary citizens.

He Who Works Shall Not Eat

The systematic arrears in the payment of wages is a unique Russian phenomenon, of which one enterprise in two is guilty. However, there is an explanation.

There are two ways in which the problem could be resolved. Either you honestly pay people what they have earned or you hold back the funds for other purposes guided by supreme state considerations. In so doing you make an assumption that the majority are making some money on the side and that no one is in danger of starvation.

Option two was preferred. Delaying the payment of wages is a fairly effective means of manipulating financial resources. The government has used it a

number of times and is using it to reduce budget spending, especially with regard to the budget-funded sector of the economy.

This instrument is also being actively used by enterprises themselves. Reducing wage costs today is the main and, in some cases, the only way of reducing costs generally. This is illustrated by the following fact: Wage arrears are not being cleared as quickly as the solution of the general crisis of non-payments.

The social consequences have been dire. People are being denied a steady source of income, but the statistics do not regard them as a socially vulnerable group. Therefore, because they are officially employed, they cannot claim state assistance.

The delay in the payment of wages was the catalyst for strike activity among workers in a whole series of regions and sectors. This is especially true in those sectors where the trade unions are active (the coal industry, for example). The attitude held toward the government by those left without pay is unambiguously negative.

Taking the Officially Employed Option

The question then is this: Decide on either a tough economic recovery package through the bankruptcy of unprofitable enterprises (and an upsurge in unemployment) or support unprofitable production units and maintain a high official level of employment?

The government preferred option two — political caution prevailed. Option one was rejected to avoid potential conflicts and an open crisis capable of putting an end to the transformations that had not yet begun (potential unemployment also plays a part in elections).

The mechanisms for maintaining a slow rate of unemployment are well known — soft loans and subsidies. The consequences are also well known: the preservation of a large number of economically inefficient jobs, the reduction in the real incomes of the officially employed, and the removal of incentives to highly productive labor.

The outward prosperity dulled vigilance with the result that the government neglected a whole series of social processes. The adverse consequences for ordinary citizens were highly tangible.

Only those who are legally registered as unemployed enjoy social protection. However, millions of people who are officially in work have found themselves left entirely outside the state assistance system and cannot even claim state assistance. Hence the pessimism, the lack of faith in a better future, and the fear of being laid off.

These factors are confirmed by the findings of the VTsIOM polls. When asked at the beginning of 1995 "Which of our society's problems worries you most of all?" one half of Russia's inhabitants cited the rise in unemployment.

Ranks of the Discontented Swelled by the Impoverished

The population's real income, like the level of real consumption, is falling. The relative reduction reached its peak at the end of 1994 and at the beginning of 1995 and there was a net fall.

At one time the country was saved from hyperinflation by the refusal to sustain an acceptable living standard for the population. The government was willing but unable to provide 70-percent compensation for the growth of consumer prices. Under pressure of circumstances it was forced to abandon the illusion that it is possible to effectively control the population's level of income even remotely. Consequently, it switched from maintaining an average level of income to providing targeted social support for the underprivileged.

The principle of the regular indexation of fixed incomes was abandoned for the first time in summer 1993. After that, both the timing and the conditions of indexation became arbitrary with their frequency determined by the political instability.

The regulation of the minimum level of incomes (wages, pensions, and allowances) remained the main thrust of the government's social policy with regard to income. The main instrument of regulation is an artificial indicator — the minimum consumer budget. However, the latter exceeded the minimum salary in June 1992 and the gap has been widening ever since then.

Today those people whose income is actually below the subsistence minimum are living not below the poverty line but in absolute poverty. Nevertheless, in conditions when the resources allocated to the social sphere to ensure "survival" are extremely limited the government consciously decided to use an artificial indicator enabling it to organize the "survival" mechanism itself.

The failures in the stabilization policy made it impossible to broaden the financial base for the social sphere — spending on help for the needy is already being reduced.

The stratification of the population in terms of income is a natural phenomenon in the transitional period. But, for various reasons, it is also dangerous. The state's policy overtly or covertly shifts the burden of the reform onto the shoulders of the least well off.

The tax system and the tax collection procedure are such that the rich are easily able to avoid state control. Furthermore, the taxation scale does not correspond to the real distribution of wealth in Russia.

At the same time inflation is, in its way, a tax that operates independently and "squeezes" the least-well-off most of all. The ranks of those who are extremely dissatisfied with their lives are being swelled not just by the obviously poor but also by the middle class as it sinks rapidly into poverty.

Forward to the Radiant Past?

Despite the clear social contradictions there have been no acute conflicts yet. But that does not mean that there will not be any. The financial and material reserves that the population had to fall back on when the reforms began have been exhausted. The safety margin that sectors in the social sphere (health care, secondary and higher education, and science) had has been completely used up. Effective conditions for the management of small and medium business and economic activity on the land have not been created. The population gained hardly anything from the previous check-based privatization and will get even less from its future cash stage.

Many people are beginning to understand that they are nothing more than a cheap work force which is less in demand now than it was, furthermore. The changes to the ground rules presented to the population as the main idea of the reform have proved illusory so far. Hence the yearning for the stable communist part and the decline in the number of supporters of market transformations. This is bound to affect the results of the forthcoming elections.

Dynamics of the Purchasing Power of the Population's Average Monthly Cash Incomes [figures shown in kilos]

Year	Butter	Beef	Bread	Milk
1991	62	53	546	879
1992	21	44	254	497
1993	29	40	280	379
1994	41	33	193	318
February				
1995	17	42	256	182

Food Production Declines Despite Customs Duties

MK2306111095 Moscow SEGODNYA in Russian
23 Jun 95 p 2

[Report by Elmar Murtazayev under the "Statistics" rubric: "Russia's Food Production Continues To Decline, Despite a Constant Rise in Customs Duties"]

[FBIS Translated Text] According to the Russian Federation State Statistics Committee, during the first five months of 1995, production volume in the meat and milk industries went down by almost 25 percent. For instance, the output of prepared meat products, cheese, powdered milk, and low-fat milk products fell, on average, 17-35 percent. At the same time, in the food industry — against the backdrop of a general decrease in the output of main products by about 12 percent — the production of refined sugar was reduced by a factor of two, and potatoes, margarine products, and canned food production fell by 34 and 20 percent respectively [numbers as published].

In this connection, the Russian Government's early-May decision to raise customs duties on imported foodstuffs seems especially strange. The State Statistics Committee's data conform poorly with the numerous statements by some government members that domestic agriculture produces enough products and can fill the consumer market. According to First Vice Premier Anatoliy Chubays, the only obstacles "are unknown people armed by the mafia" and the unwillingness of the Moscow government "to open the vast Moscow market."

On the other hand, forecasts made by the Moscow government and the Ministry of Foreign Economic Relations — which Mr. Chubays termed as "incorrect" — on the possible growth of food prices from 17 to 20 percent after the rise in duties seem quite realistic. As to the argument given by Vice Premier Aleksandr Zaveryukha that agricultural producers "protected by duties" will be able quickly to saturate the domestic market, it hardly fits into the chronicle of rate regulation in Russia. Since 1992, when customs duties were first raised, any changes have always shown an upward trend — the mean rate of import duties in 1992-1993 rose from 5 to 15 percent. Since 1 July 1994, the

mean duty rate rose by another 5 percent. Despite this openly protectionist policy, however, agricultural production continues to decline. Certainly, the specter of market undersupply — having been forgotten by the Russian people after economic liberalization started — could start "haunting" counters in Russia again. Prices for agricultural products, however, are very likely to rise: New prices for imported goods — as has become traditional in Russia — tend to raise figures on price lists for "homeland food" very rapidly.

Nevertheless, a Russian citizen will still be able to resort to the most unfailing remedy to avoid heavy emotional stress produced by the sight of new prices — according to the same State Statistics Committee, in the first quarter of 1995, the production of cognac and champagne has risen by 14 percent as compared with January-May of last year.

Large Reductions Noted in Some Food Production

MM2306143495 Moscow IZVESTIYA in Russian
23 Jun 95 p 4

[BIZNES-TASS report: "More Cognac, Less Meat"]

[FBIS Translated Text] In the Russian meat and dairy industry, production of the main categories of output in the period January-May dropped by 24 percent. These categories include meat semimanufactures, hard cheese, and sheep cheese — which are down between 17 and 33 percent. These figures are cited in a Russian Federation State Committee for Statistics [Goskomstat] statistical report on the socioeconomic situation in the country in the first five months of the year. Notwithstanding an overall reduction of around 12 percent in the production of main food-industry output categories, the production of refined sugar, dried starch, and potato products has halved, while the production of margarine and food concentrates has dropped by 34 and 20 percent respectively.

According to Goskomstat, production of cognac and champagne rose by 14 percent compared with last January-May. Production of beer and fruit wine maintained virtually the same level as this time last year.

International Affairs

Chinese Premier Arrives for Official Visit

LD2306120295 Moscow *ITAR-TASS in English*
1125 GMT 23 Jun 95

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV, June 23 (ITAR-TASS) — "Ukraine is an important European state with a great potential for development. Therefore China attaches much importance to developing the relations of friendship and cooperation with Ukraine", Li Peng, Premier of China's Council of State, told journalists here on Friday upon arriving in Ukraine for an official visit.

The Premier said the Chinese people had always entertained deep sentiments of friendship towards the Ukrainian people. Over more than three years that have passed since the establishment of diplomatic relations between China and Ukraine, the leaders of the two countries have been maintaining continuous contacts which have been helping bilateral relations forward, he said.

Li believes that a good beginning has been set to cooperation between the two countries in various fields.

"During my current visit, I shall exchange opinions with Ukrainian leaders on a wide range of matters about bilateral relations and international problems of mutual concern so as to promote a further development of the relations," the Chinese Premier emphasised.

Li is to have talks with Ukrainian President Leonid Kuchma on Friday night.

Kuchma Holds Talks With Li Peng

LD2306164195 Kiev *UT-1 Television Network in Ukrainian* 1600 GMT 23 Jun 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma met Chinese State Council Prime Minister Li Peng today in the Blue Hall of Mariyinsky Palace. The two leaders discussed relevant issues concerning bilateral relations. A formal dinner in honor of the Chinese prime minister and his wife has just begun, given by the Ukrainian president and Mrs. Kuchma.

Li Peng Meets With Supreme Council Head

LD2406130695 Kiev *UNIAN in Ukrainian*
1030 GMT 24 Jun 95

[FBIS Translated Text] Kiev — Despite the economic crisis in Ukraine, the trade and economic cooperation between Ukraine and China is developing, Oleksandr Moroz, head of the Supreme Council of Ukraine, noted during a meeting on 24 June with Li Peng, premier of State Council of the Chinese People's Republic. He

stressed that there are reserves for cooperation, which are drawn from the industrial, agricultural, technological and scientific potential of Ukraine.

According to Li Peng, for his government, all members of which have to be confirmed by the parliament and are accountable to it, the main task is to preserve the political and social stability in the state during the implementation of gradual economic reforms.

The premier noted that his state sees Ukraine, as well as Russia, as an important region that links the East and western Europe. According to Li Peng, for that reason the East is interested in having stable relations with Ukraine and the Russian Federation.

The premier of the State Council of the PRC handed over to Oleksandr Moroz an invitation from the head of the Chinese parliament to visit China.

Li Peng: PRC Values Relations

LD2406180595 Moscow *ITAR-TASS in English*
1705 GMT 24 Jun 95

[By Tatyana Kovalevskaya]

[FBIS Transcribed Text] KIEV, June 24 (ITAR-TASS) — China attaches great importance to the development of ties with Ukraine which remains the hub of relations between Europe and Asia, Chinese Prime Minister Li Peng told Ukrainian parliament chairman Oleksandr Moroz on Saturday [24 June].

Li Peng, who is in Ukraine on an official visit, and Moroz discussed the development of parliamentarism, the structure of power and reforms in China and Ukraine.

Speaking about the tasks facing the Chinese government, the premier stressed the importance of combining economic development measures with the efforts to improve living standards and further reform, the success of which will largely depend on political and social stability in the country.

He said such a strategy has allowed the Chinese government to carry out its reform programme stage by stage and achieve impressive results.

Li Peng noted that the rate of annual economic growth in China has been about 8-9 per cent over the last 15 years, which he views as one of the most convincing evidence of the effectiveness of the government's reform plan. "It is of fundamental importance to make the general process of reform manageable," he said.

Moroz agreed that stability is critical to the success of economic reform and expressed satisfaction with the

growing trade and economic cooperation between the two countries.

Li Peng presented Moroz with an official invitation to visit China.

While Li Peng was meeting Moroz, head of the State Council's Foreign Affairs Secretariat Liu Huagiu held talks with Ukrainian Foreign Minister Hennadiy Udovenko.

Udovenko and Liu Huagiu discussed a wide range of issues pertaining to bilateral and international cooperation, particularly a mechanism for the implementation of the security guarantees given to Ukraine in connection with its accession to the Non-Proliferation Treaty (NPT), as well as Ukrainian-Chinese cooperation in international organizations and ways to step up dialogue on all levels, including consultations between the foreign ministries of the two countries.

The Ukrainian and Chinese delegations also signed bilateral agreements, including a joint communique on the results of Li Peng's official visit to Ukraine, an agreement on cooperation in environmental protection, as well as an agreement to grant Ukraine about one million U.S. dollars in financial assistance.

Meeting journalists after the signing ceremony, Ukrainian Prime Minister Yevhen Marchuk said the Ukrainian and Chinese delegations also agreed to boost cooperation in a number of industries, including aerospace and machine building.

China is Ukraine's third largest trade partner after Russia and Turkmenistan. The two countries plan to increase bilateral trade turnover by at least two to three times next year to bring it to 2-3 billion U.S. dollars.

He also stressed that the positions of Ukraine and China on many international and regional issues fully coincide or are very close.

Li Peng expressed the hope that his visit will help "strengthen friendship and cooperation between Ukraine and China."

Officials Agree on Trade Priorities

LD2406191795 Kiev UNIAN in Ukrainian
1655 GMT 24 Jun 95

[FBIS Translated Text] Kiev — Ukrainian and Chinese Government delegations held talks on the restructuring of bilateral trade, Shen Guofang, deputy director of the Chinese Ministry of Foreign Affairs Information Department, told a briefing in Kiev.

He said the two countries will give priority to cooperation in the chemical and space industries, and horticulture.

Guofang denied allegations that China ever sold nuclear arms or uranium products. The two countries are cooperating only in the peaceful use of nuclear power, he said.

Ihor Lytvyn, deputy head of the Ukrainian Ministry of Foreign Affairs Pacific Directorate, said Ukraine was interested in China's experience in military-industrial complex conversion. He added that China was willing to assist Ukraine in the upkeep of military technology and its modernization.

Marchuk Remarks on Li Peng's Visit

LD2406195295 Kiev UT-1 Television Network
in Ukrainian 1800 GMT 24 Jun 95

[FBIS Translated Text] After the signing of Ukrainian-Chinese agreements, Yevhen Marchuk and Li Peng, the two countries' prime ministers, made short speeches. At the request of the Chinese delegation, they were delivered in Russian.

[Begin Marchuk recording, in Russian] The negotiations revealed a huge unused potential in our relations. According to the trade turnover, the People's Republic of China is Ukraine's third biggest partner, next to Russia and Turkmenistan. But the talks indicated that we can at least double or triple the trade turnover by next year, bringing it to \$2-3 billion.

It gives me particular pleasure to say that Ukraine and China share the same or very similar views on many international, regional, and global issues. On behalf of the government, I would like to express our appreciation to the leadership of the People's Republic of China for its humanitarian aid to the victims of the Chernobyl disaster. We are also grateful for the free aid of over 8 million yuan that Ukraine received from China.

In conclusion, I would like to reiterate that the long-time friendship of Ukrainian and Chinese people received a new powerful impetus today as a result of Mr. Li Peng's visit. Today, we agreed to step up cooperation in a number of industrial sectors, including machine-building and a number of others. This means that the friendship between our people and economic relations between our states are acquiring a definite shape. We have prepared a number of agreements that we expect to be signed during Ukrainian President Leonid Danylovykh Kuchma's visit to China at the end of this year. [end recording]

In his speech, Li Peng said the following. This morning, Prime Minister Yevhen Marchuk and I held very fruitful negotiations in a friendly atmosphere, and here, in front of you, we signed several important agreements concerning bilateral cooperation. We are confident that

after this official visit Ukrainian-Chinese friendship and cooperation will continue to be strengthened.

Chinese Denial of Iran Nuclear Sale

WS2606084695 Kiev INTELNEWS in English
0018 GMT 25 Jun 95

["Special to INTELNEWS" by Viktoria Kulakova]

[FBIS Transcribed Excerpt] Kiev, June 24 — An official of the Chinese Foreign Ministry denied on Saturday [24 June] widespread charges that his government sold nuclear technology to Iran.

"China has never sold nor it is selling neither nuclear technologies nor nuclear weapons," Chinese Foreign Ministry press department deputy director Shen Guofang said at a press conference held to mark the end of Chinese Premier Li Peng's official visit to Ukraine.

"We fulfill the treaty on non-proliferation and intend to stand up, together with Ukraine, for full reduction in nuclear weaponry," he added.

In addition, he said that Ukraine's support for China on the Taiwan issue "greatly satisfied" the Chinese premier.

For his part, Li said that said China also respects Ukraine's sovereignty and territorial integrity and added that "we conducted very good negotiations today, which were held in a friendly atmosphere."

The visit, which resulted in a pledge of 8,500,000 yuan (about \$1 million) in Chinese aid and the signing of several trade and cooperative agreements, included meetings with President Leonid Kuchma, Prime Minister Yevhen Marchuk and Parliament Speaker Oleksandr Moroz. [passage omitted]

Mongolian Delegation Arrives for 4-Day Visit

LD2506192895 Moscow ITAR-TASS in English
1916 GMT 25 Jun 95

[FBIS Transcribed Text] KIEV, June 25 (ITAR-TASS) — A Mongolian delegation led by parliament chairman Natsaqiyn Bagabandi arrived in Ukraine on a four-day official visit on Sunday [25 June].

"We hope that our visit to Ukraine at the invitation of Ukrainian parliament chairman Oleksandr Moroz will facilitate friendship and cooperation between the two countries, bring our nations closer and broaden inter-parliamentary ties," Bagabandi said.

During the visit, the delegation will have talks with President Leonid Kuchma, parliament chairman Oleksandr Moroz, Prime Minister Yevheniy Marchuk and Foreign Minister Hennadiy Udovenko to discuss a wide range

of issues, including ways to boost cooperation between Mongolia and Ukraine.

One of the issues to be discussed during the talks will be the opening of the Ukrainian embassy in Mongolia to promote closer ties and enhanced dialogue between the two countries, Bagabandi said.

The two sides are expected to sign an agreement on cooperation between the Supreme Soviet of Ukraine and the People's Great Hural of Mongolia, an agreement on legal assistance in investigating civil and criminal cases, and an agreement on cooperation in the field of railways and road transportation.

Bagabandi will also give a speech at the Ukrainian parliament.

In addition, the delegation is scheduled to visit the Antonov aircraft design bureau and take a tour of the Ukrainian capital Kiev.

Kuchma Shares Views With Uzbekistan's Karimov

AU2306205695 Kiev HOLOS UKRAYINY
in Ukrainian 22 Jun 95 p 1

[Unattributed report: "An Example of State Building"]

[FBIS Translated Text] I have every reason to state that the visit to Uzbekistan is a success, Ukrainian President Leonid Kuchma, who arrived in Tashkent on a first official visit as head of the Ukrainian state, said at a news conference. He pointed out that on many occasions, the presidents of the two countries have identical views of the issues of Ukraine and Uzbekistan's domestic and external policy. He called Uzbekistan an example of state building. Islam Karimov and myself are like-minded people, stressed Leonid Kuchma. We also need to adjust our economic reform. I share my Uzbekistani colleague's approach to economic transformations.

Islam Karimov said that the Ukrainian-Uzbekistani relations are promising. Uzbekistan and Ukraine are bound up by long-standing ties of friendship, he said. Much has already been done to strengthen our relations: Ties in all walks of life have intensified. In the course of the visit, the delegations signed 10 official documents, he said. Two of them were signed by the presidents of the two countries.

Moroz on 'Interest' in Dniester Settlement

LD2306181495 Kiev UNIAN in Ukrainian
1300 GMT 23 Jun 95

[FBIS Translated Text] Chisinau — "Ukraine is capable of and interested in engaging in the settlement of the

situation in the Dniester region within international organizations or separately," Supreme Council of Ukraine Chairman Oleksandr Moroz told a news conference on 23 June.

This, he said, was the subject of his meeting with Petru Lucinschi, the chairman of the Moldovan parliament, and Grigoriy Marakutsa, the chairman of the Dniester Moldavian Republic Supreme Soviet.

Asked if Ukraine accepts the possibility of participation by its peacekeeping forces in the Dniester developments, Oleksandr Moroz said that "Ukraine has always been in favor of taking part in peacekeeping operations." In this particular case, however, it would rather "participate on special terms", i.e., at the level of experts, since it considers security within its neighboring states a matter of priority.

Petru Lucinschi said that Ukrainian participation attains importance in view of that country's experience in finding a solution to the Crimean crisis.

On the subject of the legislative acts that both parliaments are shortly to pass in order to remove the problems between Ukraine and Moldova, Oleksandr Moroz and Petru Lucinschi agreed that these should primarily strive to ratify the friendship and cooperation treaty and to tackle the issues of free trade, free travel, and goods traffic in the border regions, and cultural cooperation.

National Affairs

Parliament Asked To Revoke Prosecutor's Dismissal

LD2306224495 Kiev UT-1 Television Network in Ukrainian 1800 GMT 23 Jun 95

[FBIS Translated Text] President Leonid Kuchma asked the Supreme Council today to rescind its resolution on the Prosecutor General's Office. Under Clause 1 of the resolution, Prosecutor General Vladyslav Datsyuk was dismissed for gross misuse of office.

In his letter to the parliament, the Ukrainian president noted that the resolution runs counter to the law on state power. According to Article 44 of this law, which constitutes a part of the constitutional treaty approved by the Supreme Council, the prosecutor general of Ukraine may be appointed or dismissed by the Supreme Council upon the Ukrainian president's motion only. The president also believes that by adopting this resolution, the Supreme Council broke its commitments under the constitutional treaty.

Left-Wing Parties Set Up Pro-Union Organization

LD2506101695 Kiev UNIAN in Ukrainian 1655 GMT 24 Jun 95

[FBIS Translated Text] Kharkov — "We are opposed to forcible unification of Ukraine's different regions as well as to its artificial division. Our goal is a Ukraine in a restored union," says a press release from a meeting of the Kharkov Council, an association of political forces advocating full integration in the CIS.

Speaking at the meeting, Ivan Symonenko, member of the Soyuz Union grouping in the Supreme Council called for President Leonid Kuchma's immediate resignation and an all-Ukrainian political strike.

The Kharkov Council sees its main task in mounting an effective opposition to Ukraine's disintegration and preventing conciliation with nationalist and pro-Western movements which "may resort to blackmail and threats to split Ukraine so as to prevent its entry to the union."

The organization was established by the Soyuz grouping in the Supreme Council and the Pro-Union Committee in Kharkov, formed by the regional branches of the Civic Congress and the Socialist and Communist parties. The founders believe that the Kharkov Council will consolidate political and public organizations in Ukraine which uphold the view that "Ukraine has no political or economic future outside the union."

Crimean Local Elections Proceed Amid Tatar Boycott

LD2506122795 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 25 Jun 95

[From the "Novosti" newscast]

[FBIS Translated Text] Today, there are elections to the local councils in the Crimea. Yesterday streetsweepers were doing their best to remove the traces of the election fight. It was a hard fight. Two candidates for the chairmanship of Simferopol city council were badly beaten up.

The communists are perhaps the most popular force along with the Party for the Economic Revival of the Crimea, or the New Bourgeoisie Party, as it's called, and other political organizations. But the Majlis of the Crimean Tatar people has called on its supporters to boycott the elections. It believes that the Ukrainian election law discriminates against deported peoples. For example, there are now 270,000 Crimean Tatars in the Crimea but half of them are unable to vote because they do not have Ukrainian citizenship. Experience shows that a large part of the Crimean Tatars will support the

Majlis's appeal. But at the same time its representatives are also seeking election as deputies.

Crimean Election Turnout Low

LD2506132095 Moscow INTERFAX in English
1208 GMT 25 Jun 95

[FBIS Transcribed Text] SIMFEROPOL, June 25 (INTERFAX-UKRAINE) — Elections to the local councils of all levels are being held in Crimea on Sunday.

The Crimean Electoral Commission reports that by 18:00, local time, 26.1 percent of the voters (391,720) had come to the polling stations.

By midday, elections had taken place only in the Razdolnenskiy Region where the turnout stood at 51.8 percent. Elections are considered valid if at least 50 percent of the voters have come to the polling stations.

Meanwhile, by 12:00, the turnout stood at 17.8 percent in Simferopol, 17.3 percent in Yalta, 25.5 percent in Kerch, 28.5 percent in Yevpatoria, 21.0 percent in Dzhankoi and 34.5 percent in Sudak.

As many as 6,329 candidates are running for deputies' seats and 727 for the posts of chairmen of city and district councils; 38.1 percent of the candidates were advanced by voters' conferences, 34.4 percent by worker groups, 13.9 percent by public organizations and 13.7 percent by political parties.

Among the parties which have advanced their candidates to the posts of chairmen of local councils of all levels, the Communist Party has advanced the largest number of candidates (63.3% of the total number); the Party of Crimea's Economic Revival - 24.5 percent, the Union in Support of the Republic of Crimea - 3.1 percent, and the Republican Party of Crimea-the Republican Movement of Crimea (RPC-RMC) - 2 percent.

Initially, the Crimean parliament scheduled local elections for April 29. In view of the Crimean political crisis, the Ukrainian parliament put off the elections until June 25. The election law was enlarged with a provision on the possibility of establishing special electoral districts for representatives of the once exiled ethnic groups which have returned to Crimea. The Crimean Tatars had no plans to take part in the election campaign because by now only half of the more than 200,000 Tatars who have returned to Crimea have been granted Ukrainian citizenship.

Local Elections Reported Valid

LD2506191995 Moscow ITAR-TASS in English
1858 GMT 25 Jun 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL, June 25 (ITAR-TASS) — Local elections in the Crimea were reported good and valid on Sunday [25 June].

Over 750,000 eligible voters, or 50.2 per cent of the electorate, attended the polls. Voting was more brisk in rural areas, while in cities the turnout was much lower.

In Yalta, 43 per cent of those eligible to vote came to the polling stations, in Simferopol 42 per cent and in Feodosia 41 per cent.

According to preliminary estimates, the newly-elected deputies will make up 75 per cent of the local councils.

In Simferopol, seven candidates were contesting the post of the city mayor, six and five candidates were nominated in Yalta and Yevpatoria, respectively. The present mayor of the city of Kerch, Aleksandr Safontsev, was the only candidate nominated by the majority of local enterprises to run for re-election.

In other towns the seats in the local governments were contested by the present city mayors and candidates nominated by different parties, including the Crimean Communist Party, the Party of Economic Revival and the ruling Republican Party.

A total of 6,209 candidates were contesting deputy mandates in 4,297 Crimean constituencies.

Crimean Tatars Riot, Demand Talks With Army

LD2606052495 Moscow ITAR-TASS in English
0440 GMT 26 Jun 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL, June 26 (ITAR-TASS) — Crimean Tatars in the village of Kurortnoye near Koktebel in Crimea rioted in protest against the failure of authorities to protect them against racketeers who killed two men last week.

According to Chairman of the Crimean Parliament Sergey Tsekov, unrest spread to Feodosiya and Sudak where Crimean Tatars ravaged commercial shops, exploded a restaurant and burned down a house. Two Tatars were killed in a subsequent clash with riot police. Six people were wounded, many more were injured on both sides.

A large group of Crimean Tatars left Feodosiya and Sudak for Simferopol. They are now moving past the

town of Belogorsk heading for the Crimean capital. Their leaders decline offers to begin talks with authorities and police. They demand that negotiations be conducted with representatives of the local 32nd corps of the Ukrainian army.

"Unrest among the Crimean Tatars is not national hysteria, it is directed against crime and arbitrariness of the law enforcing structures," said Reshat Kenzhe, a member of the Tatar Majlis (Assembly) and Deputy of the Crimean Parliament. He was commenting on the latest events in the village of Kurortnoye and the towns of Sudak and Feodosiya.

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According to Kenzhe, after the funeral of the two Tatars killed by racketeers, a group of Crimean Tatars left for Feodosia "to square accounts with the criminals." They were stopped and two men of the group were detained by local police, which poured more oil into the flame. The crowd decided to free the detainees and forced their way into the Feodosia city department of Internal Affairs. Another group of Crimean Tatars was blocked by riot police near Sudak. The police opened fire at the cars and trucks carrying Tatars. Two people were killed, many others were wounded, injured or beaten up.

According to Reshat Kenzhe, inhabitants of the resort centres located between Feodosiya and Sudak "appealed to army units to take the situation under control." According to him, Kiev issued an order to Ukrainian marines to guard and patrol this part of the Black Sea Coast in Crimea.

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According to the Crimean government, a group of some 600 people are now close to Simferopol. The Chief of Feodosiya police is their hostage. His clothes have been reportedly soaked in gasoline and the hostage takers

threaten to set him aflame if riot police starts another clash.

The Crimean government is conducting negotiations with the leaders of the Crimean Tatars who demand the resignation of the leaders of the Crimean power structures.

The republic's parliament is calling an emergency session for Monday afternoon.

Crimean Tatar Disturbances Quiet

LD2606101795 Moscow ITAR-TASS World Service
in Russian 0602 GMT 26 Jun 95

[By ITAR-TASS correspondent Lev Ryabchikov]

[FBIS Translated Excerpt] Simferopol, 26 Jun — The mass disturbances among the Crimean Tatars that went on all night have abated somewhat. At dawn talks were completed between the Crimean government and the Majlis of Crimean Tatars. The parties agreed to set up a joint commission to investigate the causes of the riots and identify the culprits. Representatives of the government and the majlis said the situation is under control. An emergency sitting of the Crimean parliament on this matter is planned for 1400 [1100 GMT] today. [passage omitted]

According to the majlis, a convoy of vehicles carrying Crimean Tatars moving toward Simferopol was stopped by law enforcement bodies near Belogorsk. There are about 1,000 agitated people assembled there. Representatives of the majlis went off with the government after the talks to persuade them to disperse peacefully.

Minister Kostenko Interviewed on Chernobyl

WS2606101595 Kiev UKRAYINA MOLODA
in Ukrainian 20 Jun 95 pp 3,4

[Dmytro Lykhoviy report on interview with Yuriy Kostenko, minister for environmental protection and nuclear safety, by unidentified UKRAYINA MOLODA reporters; place and date not given: "Yuriy Kostenko: If the West 'Squeezes' Us, and We Close the Chernobyl Nuclear Power Plant, Assistance to Chernobyl Will Become an Illusion. Since We Ourselves Will Bear Our Cross, We Should Be Guided by Our National Interests"]

[FBIS Translated Excerpt] [passage omitted] [UKRAYINA MOLODA] Yuriy Ivanovych, what do you think plays the most important role in the West's pressure on Ukraine with regard to the Chernobyl power plant's closure — a fear of another disaster, or are some political aspects and commercial interests hidden behind this?

[Kostenko] I would like to begin with the following questions: Why are Western countries emphasizing the "threat" coming from the Ukrainian RBMK-type reactors [high-output, channel-type reactors], despite the fact that 11 such reactors are operating in Russia and two in Lithuania? Why is the West insisting namely on the closure of the Chernobyl reactors? In my opinion, this is determined by two primary factors: First, the public associates RBMK-type reactors with Ukraine and Chernobyl. Common people do not know that there are other power plants with these reactors in the former Soviet Union (the Smolensk, Kursk, Leningrad, or Ignalina stations). Once the Chernobyl station is closed, the psychological syndrome of Chernobyl will be removed.

On the other hand, it was the 1986 disaster at the Chernobyl nuclear power plant that stopped most European programs for developing nuclear power engineering. Currently, Western countries have either canceled or suspended their nuclear programs (France, whose nuclear industry produces 70 percent of energy, is putting only one reactor into operation). As you understand, power engineering companies' huge economic losses are hidden behind this. And they undoubtedly have enough influence on the political establishment and an impact on government decisions. The majority of Western countries is thus supporting the Chernobyl plant's closure, since this is the only way to remove the Chernobyl syndrome. Proceeding from this, the West is using both political and economic levers to influence Ukraine, while pressuring for the Chernobyl plant's closure.

The results of the latest talks have proved that the West puts this issue in the following way: Either you close the station, or we will not give you a kopek in loans, not only for the needs related to Chernobyl, but for your economy in general. And without this assistance, no matter how sad this seems, the Ukrainian state cannot currently exist — we must reform our economic system, pay debts for energy sources, and create a stabilization fund. All this has recently forced our government to make a hard decision to close the Chernobyl nuclear power plant by the year 2000, regardless of our economic hardships.

[UKRAYINA MOLODA] For the voluntary closure of the Chernobyl nuclear power station, the West is promising Ukraine a certain amount of dollars. Will this compensate for the expenditures connected with the loss of the Chernobyl nuclear power plant? Will this money be in the form of loans, which will have to be repaid later, or in the form of direct cash infusions?

[Kostenko] Of course, this money will come in a combined form — there will be grants (donations)

and loans. Our domestic instability and lack of people responsible for talks in various areas — [Defense Minister] Shmarov, [Deputy Prime Minister] Osyka, and then I have been conducting talks on the Chernobyl plant — have not helped form one opinion on the amount of this compensation. I demanded a complex approach toward this issue, that is, we should not simply close the Chernobyl station — we must also resolve the problem of its reactor, in which a large amount of nuclear fuel has accumulated, and at which there is a threat that a chain reaction may start. Without resolving this problem, any talks about the Chernobyl plant's closure make no sense. Unfortunately, during the negotiations, this factor was ignored, and as a result the so-called G-7 plan for the Chernobyl plant was drafted. They suggested that we put into operation three other power units in place of the Chernobyl station — at the Rivne, Zaporizhzhya, and Khmelnytsky nuclear power plants. Thus, all problems would apparently be resolved.

When the matter returned to a general analysis of the situation connected with closing the Chernobyl plant, however, it became clear that there are many accompanying problems in this area, such as the plant's concrete housing, providing Ukraine with compensating capacities, construction of sites for used fuel (the current facilities around the reactor are already overfilled), or the social protection of the Slavutych residents. Our option was thus different than the proposal presented by G-7: We proposed to build a power station with compensating capacities in the vicinity of Slavutych. Of course, this will be a steam-gas power station. This station will serve as a generator for all activities in the region. Additionally, it will accumulate money needed for closing the Chernobyl plant and resolving the problem of the concrete housing, and will also create new workplaces.

The concrete housing alone will be a burden to our budget for at least 50 years, and no Western country will help Ukraine resolve this problem for so many years. The West can help us a little only at the initial stage, perhaps by providing technical documentation. Its further assistance is an illusion. We must construct another hermetic shell, after removing fuel from the first one — this requires decades and a huge amount of money. We need a source of income, and we see one such source in the alternative thermal power plant.

What the West is currently offering us — loans and grants — by no means corresponds to Ukraine's total needs for resolving problems related to the Chernobyl plant. We need hundreds of billions of dollars, and they are currently offering \$1 billion, at best.

[UKRAYINA MOLODA] The next question is about our government's contract with the ABB company, which was signed by Serhiy Osyka, deputy prime minister for foreign economic ties, even though you were at the head of negotiations on this issue. What interests are ABB, as well as other companies, pursuing in Chernobyl?

[Kostenko] It is not really important who signed the contract. I was on an official visit at that time, and since the contract had to be signed urgently, Osyka signed it. I would like to emphasize another thing: It was a good thing that this consortium was set up, since the Chernobyl plant's global problems require as many forms of economic cooperation as possible. If ABB and other large companies agree to participate in resolving the Chernobyl problem, this will reap profits for us. Another thing is that political promises should be backed by specific economic steps. The question is how private companies will cooperate with Ukraine, and who will pay for this. As for the substitute power station, ABB is interested in delivering turbines with a high efficiency performance coefficient (53 percent, which is 8 percent more than in the existing types of turbines). Regarding other companies, not everything is clear about their intentions. If they count on the G-7's "Chernobyl money," they will be disappointed; the money, as I have already said, will not be so big, and it will primarily be spent by our government.

As one of the ways of encouraging foreign companies to operate in our country, we are going to set up an international center in Chernobyl, a laboratory which would provide information on certain nuclear research conducted after the accident, which power engineering companies currently lack. (For example, only the 1986 accident made it possible to improve the German-made robots operating on vast radiation-contaminated areas). The West approves of this plan.

[UKRAYINA MOLODA] FINANCIAL TIMES has recently noted the possibility of producing weapons-grade plutonium at RBMK-type reactors as one of the reasons behind the West's pressure on the Chernobyl plant. Could you comment on this statement?

[Kostenko] RBMK-type reactors do make it possible to produce weapons-grade plutonium, and in volumes larger than those produced at VVER-type reactors [water-water power reactors]. But again, tens of billions of dollars are needed to set up the required industrial infrastructure. I recently became the first post-Soviet government member to visit the secret Savannah-Riverside test range, where plutonium and uranium for nuclear warheads is produced. This is a huge compound, including five nuclear power plants producing these elements,

plants extracting and enriching them, and waste-storage facilities. Stories in the Western press about Ukraine's "attempts" to proceed along this path are a means of exerting political pressure and "bamboozling" the common people. This also relates to the OBSERVER report on the condition of the concrete housing.

[UKRAYINA MOLODA] How can one understand the talk about creating a closed nuclear fuel cycle in Ukraine then?

[Kostenko] Because resources of natural uranium-235 are not unlimited, and the world has not yet discovered more powerful energy source that nuclear energy, our primary task is, undoubtedly, to search for new systems of producing fuel. The point of this search is to design breeder reactors, which would crown a closed cycle: After using enriched uranium in common reactors, three particles are to be created from one particle of unspent fuel in breeder reactors. This new fuel can be used in plutonium reactors with fast neutrons. However, even the Japanese have only laboratory models of breeder reactors. Billions [currency not specified] are needed to construct them, and Ukraine does not have this money.

We are currently facing another problem — the optimization of our nuclear fuel cycle. This means that Ukrainian companies, which have uranium and enrich it, do not produce fuel rods and assemblies ready for use in reactors. The talk is about constructing in Ukraine plants to produce fuel for our nuclear power plants. The cost of these plants is also very high, but they would make it possible to efficiently use all of the uranium we extract, and reduce the cost of electricity produced at Ukrainian nuclear power plants.

On the other hand, the fuel cycle system also includes stationary storage sites for spent radioactive waste — we do not have such storage sites. Having accumulated a huge amount of radioactive materials in our country, particularly after 1986, we are doomed to drown in radionuclides.

[UKRAYINA MOLODA] You have detailed aspects of "nuclear armament," to put it this way. But what will be the consequences of nuclear disarmament, in which we are actively participating? Your ministry has protested destruction of silos vacated after transferring nuclear missiles. What is the current situation with this issue?

[Kostenko] No final decision has been made in this regard. Unfortunately, the work related to nuclear disarmament is currently being conducted in the most barbaric way — silos are simply blown up. According to a Supreme Council resolution, the Ukrainian president (it was Kravchuk at that time) was charged with conducting talks with Western countries so that Ukraine would

not destroy launch silos, but would use them for civilian purposes. There is virtually no infrastructure for recycling waste, primarily highly toxic materials. We have thus proposed to use launch silos to recycle this waste. Toxic waste is currently stored incorrectly, primarily in the agricultural sector — often even in open containers. And if this problem is not resolved in the immediate future, we will not need any nuclear weapons — we will destroy ourselves with chemicals. Unfortunately, our ministry's proposal to use silos for storing waste has not been accepted, although President Kuchma issued an appropriate instruction. I believe, however, that we will achieve the situation in which silos will be wisely used rather than destroyed. [end Kostenko]

Yuriy Kostenko has proved once again that he has nothing to do with the boisterous ranks of apologists of nuclear disarmament, emphasizing the unbalance between two levers of national security — nuclear weapons and a powerful economy. Mr. Kostenko believes that we should surrender our nuclear weapons and close the Chernobyl nuclear plant later, when the economy improves. And if we had decided to serve as an example of unprecedented disarmament to the world anyway, in the opinion of the minister for environmental protection and nuclear safety, we should have paid attention to North Korea's moderate efforts in this regard and should have insisted on appropriate compensation. Kostenko is not even against "nuclear blackmail" — after all, Ukraine has invested so much intellect, money, and efforts in the production of nuclear weapons! [passage omitted]

Economic Issues

Progress in WTO, GATT Membership Talks

WS2606085195 Kiev INTELNEWS in English
0018 GMT 25 Jun 95

[Report by Serhiy Sokolovskiy]

[FBIS Transcribed Text] Kiev, June 24 — Ukraine made progress on the road to GATT membership Friday at the Second international conference on Ukraine's admission to the General Agreement on Tariffs and Trade and the World Trade Organization [WTO].

Officials reviewed the implementation of the Agricultural Agreement signed at the Uruguay Round of Multilateral Negotiations within the framework of the GATT. The conference was attended by a WTO delegation headed by Andrew Stoler, U.S. Ambassador to GATT/WTO and chairman of the Working Commission on Ukraine's admission to the GATT.

"Ukraine's admission to the GATT is extremely important for us," Stoler said.

Stoler commended Ukraine's recent achievements bringing it closer to GATT membership. "For any country it is rather difficult to join GATT/WTO. The Ukrainian government has already done a lot in this field. Having started this process six months later than Russia, today Ukraine is six months ahead of Russia, because in September-October the second meeting of the working group will be held in Ukraine, while only the first similar meeting will take place in Russia," Stoler said.

Membership in the World Trade Organization is a key priority of many Ukrainian leaders, Stoler said. "We saw that not only the government, but also President Leonid Kuchma and National Bank of Ukraine Governor Viktor Yushchenko are firm in their intentions to spare no effort for achievement of the final goal — membership in WTO," said Stoler.

Foreign Trade Minister Serhiy Osyka said WTO membership would strengthen Ukrainian statehood. "Today we work thinking about the future benefits from our membership in WTO," Osyka said. "WTO is a guarantee of state sovereignty. The customs union between Russia and Belarus has actually become the end of the Belarusian state — Minsk's interests in GATT will be represented by Moscow."

Usually, it takes three years be admitted to GATT/WTO. "Ukraine has a good chance of joining GATT/WTO before many other countries. I think that a more specific prognosis could be made in September or October," said Osyka.

Today 125 countries are members of GATT, and 28 other countries are likely to join this economic organization in the next several months.

Economic Situation Exacerbating Brain Drain

WS2306082095 Kiev INTELNEWS in English
0231 GMT 23 Jun 95

[FBIS Transcribed Text] Kiev, June 21 — The worsening of Ukraine's economic situation over the last several years has resulted in an increase of emigration, according to the Nationalities, Migration and Cultures Ministry.

Since 1992, 732,000 people left Ukraine, 30 percent of whom were ethnic Ukrainians. In 1994 about 319,000 people left Ukraine for other countries, mostly Russia, while only 178,000 came to reside in Ukraine.

The majority of immigrants from Ukraine are highly skilled specialists, scientists and youth. As far as the immigrants into Ukraine are concerned, they are mostly people from conflict-ridden places. In 1992, Ukraine

received 61,000 people from Trans-Dniester Republic; and in 1993, about 6,000 people came to Ukraine from former Soviet Union republics where there were military actions. In 1994, more than 3,000 people applied for refugee status. In 1995, 570 people from Chechnya have so far applied for refugee status..

The ministry says the number of Ukrainian emigrants will rise significantly unless the economy improves.

Bank Chairman: Situation 'Favorable' for New Currency

LD2406200595 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 24 Jun 95

[FBIS Translated Text] The monetary reform should be implemented early in the second half of 1995, said Viktor Yushchenko, chairman of the Ukrainian National Bank [NBU]. He said the current situation in Ukraine was favorable for the introduction of the new currency, the hryvna, thanks to the low rate of inflation and the adoption of a nonemissionary way of covering the budget deficit, particularly the issue of state bonds. The National Bank currently has a number of financial instruments at its disposal that would enable it to withdraw several trillion karbovantsi from circulation in ten days, the NBU chairman said.

State Property Fund Reports Privatization Progress

WS2606082295 Lvov INFOBANK in English 0704 GMT 26 Jun 95

[From the "News Service" feature]

[FBIS Transcribed Text] The State Property Fund has issued a statement on the progress of certificate privatization saying that 6,404,437 Ukrainian citizens had obtained their property privatization certificates as of June 1, compared to 4,984,143 by May 1 and 1,430,500 by March 1. In total, 15.7 million of Ukrainian citizens have exercised their right to participate in the privatization process. More than 1,000 large and medium enterprises are to be privatized by the first half of 1995. According to the state privatization program for 1995, shares of another 7,000 enterprises are being prepared for sale through the network of regional certificate auction centers.

Committee Discusses Fuel Sector Problems

WS2606082795 Lvov INFOBANK in English 0704 GMT 26 Jun 95

[From the "News Service" feature]

[FBIS Transcribed Text] Technical measures to increase the production of oil, natural gas, and gas condensate in the coming year were approved at the June 22

board meeting of the State Committee for Oil, Gas, and Related Industries. According to the Committee's plans, 4,210 thousand tonnes of oil with gas condensate and 18,200 million cubic meters (cub. m.) of natural gas shall be produced next year, while an average annual domestic demand comprises 40,000 thousand tonnes of oil and 100,000 million cub. m. of gas. It was planned to put 169 new wells into operation, including 87 oil and 82 gas wells, and to rehabilitate 99 abandoned wells. It was also planned to prepare 23 oil and gas deposits for the industrial development and to commence work on 16 new deposits. The cost of these measures was estimated at 103,908 billion karbovantsi.

It was mentioned that the output of Ukrainian oil-refining sector has dramatically decreased during the recent years, falling from 93.6 percent of the aggregate plant capacity in 1990 to 30 percent in 1994. As little as 5.6 million tonnes of oil was processed in Ukraine during the 5 months of this year, making up only 24 percent of the total production capacity.

Donbass Miners Demand Revocation of Cabinet Decree

AU2306153795 Kiev HOLOS UKRAYINY in Ukrainian 21 Jun 95 p 14

[Unattributed report from Donetsk: "Trade Unions Threaten the President"]

[FBIS Translated Text] At a recent meeting of representatives of labor collectives and the Donetsk Oblast Trade Union Council with Ukraine's people's deputies representing the Donetsk Region, an open letter to President Kuchma was adopted in which it is stated that, in connection with the failure to respond to numerous appeals by the Donbass working people, local trade unions are starting a campaign to collect signatures in favor of the president's immediate resignation. The participants in the Donetsk rally advanced a demand for the president to stop the action of Cabinet of Ministers Decree No. 733 of 21 October 1994 as economically unsubstantiated and absolutely unrealistic for the payer [platnyk].

Miners Threaten Hunger Strike, March

WS2606093795 Kiev INTELNEWS in English 0031 GMT 24 Jun 95

["Special to INTELNEWS" By Olha Burda]

[FBIS Transcribed Text] Donetsk, June 23 — Miners from the Zhovtneva mine in Donbass refused Thursday [22 June] to enter the mines and begin work because, they said, they have not yet received their May wages. The miners said that they will strike until they find out Kiev's position concerning solution of their problems:

regular wage payment, raises, pensions and settlement of indebtedness on allowances for work-related traumas.

Miners said that all these issues, despite promises by President Leonid Kuchma to solve them before June 15, have as yet not been resolved.

The Mine Building Administration No. 6 workers said that they intend to go on a hunger strike beginning July 1 if they are not paid their April and May wages before then.

Due to the tense situation in the DonetskVuhillia coal production association, representatives of the Donetsk Strike Committee and the Independent Miners' Trade Union are now staying in Kiev, trying to solve the

miners' problems with First Deputy Prime Minister Viktor Pynzenyk and Prime Minister Yevhen Marchuk.

Miners threaten that, in the event the negotiations with the government are unsuccessful, they will conduct a march on Kiev. Miners are already preparing for this actions, stocking provisions and even field kitchens.

Before setting off for Kiev, miners' leaders said that they will report to the world public information about the real state of the Ukrainian economy and living standards of the Ukrainian population. Miners said that this proclamation might be made at the international trade union congresses that will be held in the beginning of July in Austria and Hungary.

Belarus**Chinese Premier Li Peng on Official Visit**

LD2306120895 *Moscow ITAR-TASS in English*
1138 GMT 23 Jun 95

[By Larisa Lazar, Aleksandr Yushkevich]

[FBIS Transcribed Text] MINSK, June 23 (ITAR-TASS) — The official visit to Belarus by Premier of China's State Council Li Peng has been concluded in the signing of a joint communique on the results of Li Peng's visit to Belarus and a number of Belarusian Chinese documents.

Li Peng's visit "must give green light to the implementation of contracts concluding by the two countries", Belarusian President Alyaksandr Lukashenka said. He said the months that have passed since his visit to Beijing saw the establishment of intensive contracts in the commercial and economic area and the conclusion of bilateral contracts.

The president said that, according to Li Peng, Belarusian goods will be given a preferential treatment in China.

Three Documents Signed

LD2306141295 *Moscow Radio Rossii Network in Russian* 1000 GMT 23 Jun 95

[FBIS Translated Text] Li Peng, prime minister of the State Council of the People's Republic of China, today completed his official visit to Belarus. Here is Yuriy Svirko with the details.

[Svirko] Li Peng flew from Minsk to Kiev this morning and will travel to Moscow from the Ukrainian capital. Meanwhile, Belarus is summing up the results of the Chinese prime minister's visit. Three documents have been signed: A joint communique, an agreement on mutual extradition of criminals, and a protocol on 8.5 million yuans worth of humanitarian aid that is to be handed over to Minsk by China. The humanitarian aid consists of medicines.

Belarusian President Alyaksandr Lukashenka said that Beijing has been showing some kind of cautiousness in bilateral relations, and Li Peng's visit is bound to remove it, thus giving a go ahead to the implementation of many Chinese-Belarusian contracts.

China is very much interested in Belarusian computers, military complex control systems, and other military and technical equipment, as well as in BelAZ super-trucks and other goods. Li Peng promised to pay hard currency, even cash, for military products.

Two political issues were discussed at the talks in Minsk at Beijing's instigation: Human rights and hegemony. Beijing is interpreting hegemony as intervention in the

internal affairs of a sovereign state and unequal relations between countries. The issue of hegemony is most likely to be one of the main subjects of Li Peng's talks in Kiev and Moscow in connection with Chinese-U.S. strained relations.

At the very beginning of Li Peng's visit to Minsk, President Lukashenka said that Belarus and China share the same ideology, and at the end of the visit Li Peng did not let himself be outdone. Lukashenka said that Li Peng made a very strong statement about the friendship between the two countries.

Lukashenka Assesses Talks

LD2306222395 *Moscow INTERFAX in English*
1529 GMT 23 Jun 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Moscow, 23 June (INTERFAX) — President Lukashenka is certain that his talks with the Premier of China's State Council Li Peng have eased Beijing's cautious attitude to bilateral relations.

Speaking at a news conference afterwards President Lukashenka said that Li Peng's visit was called to give the green light to the already concluded bilateral treaties, in particular, those in economic cooperation. He said that up till now the negotiations, in the first place those in trade, were unduly delayed.

President Lukashenka's talks with Li Peng, first in private and afterwards with the participation of other officials, produced an agreement to cut customs duties on Belarussian exports to China.

President Lukashenka was pleasantly surprised by Li Peng's readiness to do business with Belarus in hard currency. Before all trade between the two countries was barter-based.

In turn Li Peng asked Belarus to support China in the international scene on two political issues: on hegemony, which, Li Peng promised, China would not seek, and on human rights. President Lukashenka said he unconditionally promised Li Peng that China would receive such support. "The observance of human rights in China is the exclusive prerogative of that country's leadership", President Lukashenka said.

Li Peng said he was interested in the supply of heavy-duty quarry BelAZ trucks and products of the military-industrial complex, including automatic systems of troops control.

Li Peng on Thursday had talks with the Belarusian Prime Minister Mikhail Chyhir and signed a treaty on the mutual extradition of criminals.

A protocol of cultural cooperation was signed at the interdepartmental level.

During his two-day visit Li Peng visited the Agat industrial association - a classified defence enterprise.

U.S. Military Delegation's Visit Reported

WS2306144395 Minsk BELAPAN in English
1430 GMT 23 Jun 95

[FBIS Transcribed Text] A high-level delegation from the U.S. Department of Defense led by Dr. Gloria Duffy, deputy assistant secretary of defense and special coordinator for Cooperative Threat Reduction visited Belarus.

During the visit the delegation held a round of talks with the leadership of the Belarusian Ministry of Defense, met representatives of the National Agency for Control and Inspections to finalize agreements with the Republic of Belarus that provide continuing assistance for the disarmament of strategic nuclear weapons.

According to information received from the Ministry of Defense, the agreements envisage U.S. aid in the destruction of ballistic missile launch sites, the utilization of liquid rocket propellant, and the elimination of the nuclear infrastructure so that former strategic rocket bases can be used for civilian purposes.

U.S. Provides Funds for Nuclear Cuts

LD2306173995 Moscow ITAR-TASS World Service
in Russian 1711 GMT 23 Jun 95

[By BELINFORM correspondent Valentin Menshikov for TASS]

[FBIS Translated Text] Minsk, 23 Jun (ITAR-TASS) — Under two agreements signed today in Minsk, the United States has allocated Belarus 19 million dollars to monitor the physical protection of nuclear materials in Sosny, to destroy liquid rocket fuel and missile launching pads, and also to destroy the nuclear infrastructure.

Lukashenka To Censure Foreign Ministry Officials

LD2306223195 Moscow INTERFAX in English
1523 GMT 23 Jun 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MINSK, June 23 (INTERFAX-WEST) — Belarusian President Alyaksandr Lukashenka at a three-hour long news conference in Minsk on Thursday [said] he would censure senior foreign ministry officials at an impending ministry meeting.

He pointed to drawbacks in the ministry's work and charged Belarusian diplomats with failing to promote the country's interests in the international arena.

The president recommended that the ministry arrange several publications in the western mass media aimed to give an unbiased coverage of government policy, the country's economic reforms and industrial potential as well as Belarusians and their culture.

Lukashenko expressed surprise at the behavior of Georgy Tarazevich, the country's ambassador to Warsaw, following his recent dismissal. Formerly First Vice Foreign Minister and Parliament Speaker under Soviet rule, Tarazevich was sacked on charges of making public statements running counter to Lukashenko's policy.

Two other opposition members coming under Lukashenko's attack include former Parliament Speaker Stanislav Shushkevich and leader of the opposition People's Front Zenon Pozniak. Both of them were accused of denting the country's image and calling on international financial agencies not to provide any credits or financial aid to the Lukashenko-led administration.

Lukashenka 'Ready To Abolish' Customs Borders

LD2206225895 Moscow INTERFAX in English
1830 GMT 22 Jun 95

[FBIS Transcribed Text] MINSK, June 22 (INTERFAX-WEST) — Belarusian President Alyaksandr Lukashenka has said he is ready to abolish customs offices on the Belarusian-Ukrainian border "even tomorrow."

Speaking to the governors of 30 regions of Belarus, Russia and Ukraine in Minsk Thursday, he said relevant documents could be signed during Leonid Kuchma's visit to Belarus on July 13-14 provided the Ukrainian side accepted the proposal.

Lukashenka read out an official statement appealing for closer integration of three Slavic states — Belarus, Ukraine and Russia.

According to Lukashenka, integration must be gradual and take into account the existing realities and possibilities without creating strict frameworks which would limit the diversity of the three countries' relations.

As one such step, Lukashenka proposed a forum of all regional governors from the three countries in Minsk and another forum of Belarusian, Russian and Ukrainian industrialists to work out specific measures in order to widen economic cooperation.

Lukashenka on Financing Parliament, Economy

LD2306224595 Moscow INTERFAX in English
1529 GMT 23 Jun 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] "I shall not recognize decisions by the old Supreme Soviet in any event other than an emergency", President Lukashenka told a news conference on Thursday [22 June].

He said that the body of law-makers had served its 5-year constitutional term and was no longer legitimate. At the same time President Lukashenka said that he would not intervene in the convocation of another Supreme Soviet session because he had no legal powers to do so.

The Belarusian leader said that a law was being drafted to terminate the financing of the old parliament, except for its speaker, his deputy and chairman of the parliamentary committee for legislation. Apparently, the president said that elected members of a new parliament would apparently be included in the list of financed persons.

Alyaksandr Lukashenka also said that in the near future he would try to find jobs for ten members of the old Supreme Soviet who had asked him for assistance.

President Lukashenka said he was going to bring up the idea of reducing local governing bodies in the country. Under the draft decree being worked out now the number of Soviets would be reduced. "We are not rich enough to keep so many of them", Lukashenka said.

About his first year in office Lukashenka said that he was satisfied with what he had accomplished. He recalled that his election campaign consisted of three items: the struggle with inflation, the struggle with corruption and integration with Russia. President Lukashenka believes that he has kept his promise to beat inflation. It has been down from 50% in January to 0.8% in June.

"The toughest war on corruption is underway", President Lukashenka said. He pointed out that whenever the guilt was proved, even his close associates did not go unpunished. Lukashenka recalled that Defence Minister Anatol Kastenka was fired not long ago.

About the promise to work for closer relations with Russia President Lukashenka said he had held a referendum, which ended in the lifting of borders between the two Slav states. He said that Moscow and Minsk continued an active dialogue on integration between Belarus and Russia.

Status of 'Nonstate Forms of Ownership' Detailed

WS2306144295 Minsk BELAPAN in English
1430 GMT 23 Jun 95

[FBIS Transcribed Text] According to data received from the Belarusian Ministry of Economy, at present there are over 200,000 economic entities of nonstate forms of ownership in the country. Among them are 1,745 joint and 1,680 foreign enterprises with an aggregate capital of \$767.40 million.

On 1 June, 50 banks with the total statutory reserves of about 340 billion rubles [R] were registered in Belarus. At the present time 69 insurance, 14 financial, 30 leasing companies, and 115 auditor firms are acting in the country.

According to Mikalay Stakh, deputy chief of the Composite Department of Economic Reforms and Enterprise Support at the Ministry of Economy, a presidential decree for the resumption of specialized investment funds' activity is being prepared. Of the 38 registered only four such funds will not be able to start work in the near future because of certain shortcomings. As Mr. Stakh holds, the Belarusian Fund for Financial Support to Entrepreneurs renders substantial assistance to private businessmen. From 1992 to 1995, the fund was given R1.9 billion from the state budget, including R900 million in the first quarter of 1995.

Security Upgraded in Light of Budennovsk Events

LD2406194595 Minsk Radiostantsiya Belarus
International Service in Belarusian
1800 GMT 24 Jun 95

[FBIS Translated Text] In connection with the tragic events in Budennovsk, the necessary measures have been taken in the Republic of Belarus to provide security for citizens: The most sensitive areas on highways have been fenced off, traffic police posts have been reinforced, and military facilities have been placed under special control. In the opinion of Belarus President Alyaksandr Lukashenka, it is better to be 10 times more secure than to allow a disaster. At the same time, as the president noted at a meeting with journalists in his residence on 22 June, the leadership of the republic has grounds for worries in that connection. According to the head of state, the president receives daily bulletins both from the Internal Affairs Minister Yuryy Zakharenka, and Viktor Sheymay, the secretary of state of the Security Council, on the situation in the republic. Judging from that information, one can make the conclusion that there are enough people in the country who buy weapons, Alyaksandr Lukashenka said. At the same time, he stressed that large human resources have been

assigne¹ for the purpose of preventing possible terrorist acts and banditry and considerable funds have been allocated.

Moldova

Moroz Heads Ukrainian Delegation Official Visit

Moroz Calls For Treaty Ratification

AU2606071395 Chisinau INFOTAG in English
1746 GMT 22 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 22/5/1995 — On the invitation of the Moldovan Parliament chairman, a Ukrainian delegation headed by the chairman of the Supreme Rada (Parliament), Aleksandr Moroz arrived in Chisinau for an official visit today.

At the Chisinau airport Mr. Moroz stated to journalists that the aim of the visit is to establish and consolidate bilateral relations in all spheres.

"Our historic destiny is that we are doomed to live in good neighborly relationship for ages. However, even good neighbors always have many problems to solve. We have to eliminate all uncertainties and disputes so that our ties could develop without stop," Moroz stressed.

He said he had no idea about the beginning of the Russian 14th Army withdrawal from Moldova, but this problem would be discussed during the visit.

The delegation will meet with the Moldovan leadership, senior parliamentary officials, parliamentary factions, as well as with various Ukrainian societies in Moldova.

The chairman of the Ukrainian Supreme Rada spoke for a soonest possible ratification of the Treaty of Good Neighborly Relations, Friendship, and Cooperation between the Ukraine and Moldova. The document was signed in November 1993 during the then Ukrainian President Leonid Kravchuk's visit to Moldova.

Speaking at the Moldovan Parliament today, Mr. Moroz said that "this document has not yet been ratified due to objective reasons," and called both parliaments to ratify it as soon as possible.

He spoke for the restoration of traditional bilateral trade and economic ties between Moldova and Ukraine, namely for solving border trade issues, for the liquidation of customs barriers, establishing joint enterprises and granting privileges to them, for opening subsidiary offices of banks and economic representations, for developing mutual aid in energy supplies, and for scientific cooperation.

Mr. Moroz pointed out that the Ukraine is particularly important for Moldova because 75 percent of cargo traffic from Moldova involves Ukrainian transportation and road facilities, and the Ukraine accounts for 15 percent of Moldova's external trade turnover.

The guest positively appreciated Moldova's European policy, and the level of mutual understanding between the two nations within the OSCE [Organization on Security and Cooperation in Europe] framework.

"In our view, developments in the Dniester region create certain possibilities for Ukraine's participation in settling the dispute," he said. "Our attitude as to the Dniester conflict is and will further be based on such governing principles as the states' territorial integrity and inviolability of borders," Aleksandr Moroz emphasized.

Moroz Addresses Parliament

LD2206230895 Kiev UNIAN in Ukrainian
1725 GMT 22 Jun 95

[FBIS Translated Text] Chisinau — "Although objective reasons have prevented the goodneighborliness, friendship, and cooperation treaty between Ukraine and Moldova, which was signed on 23 October 1993, from being ratified, we have reached the conclusion that we should redouble both parliaments' efforts to secure its ratification," Ukrainian Supreme Council Chairman Oleksandr Moroz said in his address to the Moldovan parliament on 22 June.

He went on to say that Ukraine and Moldova had good prospects for cooperating in arranging reciprocal assistance with energy carriers, expanding the agricultural produce market, building the scientific basis of the two countries' economic development, and resolving the problems of rationally using and protecting the natural resources in the basins of the rivers Dniester, Dnieper, and Pripyat.

Moroz said that the fact that 75 percent of Moldova's east-bound goods traffic passed through Ukrainian roads was quite significant to Ukraine, adding that the broadening of the Moldovan market of Ukrainian-made goods was a priority in Ukrainian foreign economic activity.

Moroz stated that the settlement of the crisis in the Dniester region provided "an opportunity for Ukraine to fully engage in finding a solution to this matter". He concluded that Ukraine would continue to base its stance on the subject on such fundamental principles as states' territorial integrity and inviolability of their borders.

Parliament Speaker Discusses Relations

LD2206223595 Kiev UNIAN in Ukrainian
1345 GMT 22 Jun 95

[FBIS Translated Text] Chisinau — Moldova's parliament is ready to ratify the friendship and cooperation treaty between Ukraine and the Republic of Moldova at any moment, although there remain some details which the two states are to tackle, the chairman of the Moldovan parliament, Petr Luchinskiy, said at a meeting between the Ukrainian and Moldovan parliamentary delegations on 22 June.

He said that these were a settlement to border issues, the operation of customs and the functioning of railways, adding there also were problems regarding Moldovan property on Ukrainian territory in particular, in the recreation areas of the Nikolayev and Odessa Regions.

Petr Luchinskiy expressed the hope that Ukraine had an interest in finding a solution to the withdrawal from the territory of the Dniester region of Russia's 14th Army, despite "Aleksandr Lebed's reckless statements that Ukraine will not allow the pull-out of weaponry across its territory."

He spoke in favor of joint work by Ukrainian, Russian, and Moldovan specialists on the terms and conditions for army withdrawal from the Dniester region. He noted that Ukraine had taken a greater part in the developments at the first stage of relations between Moldova and the Dniester republic after the latter's declaration than now, although he said Ukraine had no smaller stake in a peace settlement in that region than Russia.

Petr Luchinskiy announced that negotiations were under way with a German company which had undertaken to utilize the armaments. At present, he said, work is in progress to formalize relations between Moldova and the Dniester republic in legal terms.

Sangheli Cites Problems in Relations

LD2306212395 Kiev UNIAN in Ukrainian
1300 GMT 23 Jun 95

[FBIS Translated Text] Chisinau — Moldovan Prime Minister Andrei Sangheli, during a meeting on 23 June with Ukrainian Supreme Council Chairman Oleksandr Moroz who was leading a visiting parliamentary delegation, expressed the hope that this visit "will give fresh impetus to relations between Ukraine and Moldova." He went on to say that Ukrainian-Moldovan economic cooperation is hampered by the absence of bilateral accords on free trade, mutual investment protection, and avoidance of double taxation, although such agreements were in place between Moldova and 47 other countries.

Andrei Sangheli drew Oleksandr Moroz's attention to the "poor state of affairs" at the Ukrainian-Moldovan customs and, in particular, to chronic delays in transit goods traffic across Ukraine.

Andrei Sangheli added that Moldovan banks have "a very large amount" of Ukrainian karbovantsi. In settlements, however, the Ukrainian side refuses to accept them, instead demanding foreign currency. Putting Ukraine's debt to Moldova at \$28 million, he at the same time complained that the price of Ukrainian coal to Moldova was becoming "almost impossible."

He announced that construction of an oil terminal will begin in the area of the Moldovan village of Dzhurdzhuleshty on the Danube in September. The vicinity of this terminal to the Ukrainian oil terminal in Reni, in the view of Odessa regional council representatives who attended the meeting, could pose a threat to the economic interests of Ukraine.

Andrei Sangheli told the meeting that a new commission has been formed to demarcate and delimit the Ukrainian-Moldovan border. It is to start work next week.

Ukrainian Dniester Participation Supported

AU2606071695 Chisinau INFOTAG in English
1746 GMT 22 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 22/6/1995 — Tiraspol is speaking for a more active participation of Ukraine in the Dniester dispute settlement, Dniester Parliament Chairman Grigoriy Marakutsa said today during his meeting with Aleksandr Moroz, head of the Ukrainian Supreme Rada.

The meeting took place in Chisinau on Marakutsa's request, and was attended by Moldovan parliamentarians and some Dniester officials.

Marakutsa spoke for participation of Ukrainians in the Dniester region-based peacekeeping contingent, and for Ukraine's sending experts to take part in the Dniester status bill drafting, and acting jointly with Russia as one single guarantor of stability in the region.

Aleksandr Moroz termed as "problematic" a Ukrainian participation in the peacekeeping mission, and expressed readiness to delegate two experts for status bill drafting. As for guarantees of stability in the region, the Ukrainian speaker expressed his opinion that it would be more expedient to expect guarantees from the OSCE and other international organizations.

He agreed with the necessity of establishing a closer economic cooperation with Dniester.

Ratification of Friendship Treaty Urged

AU2606064995 Chisinau INFOTAG in English
1834 GMT 23 Jun 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 23/6/1995 — A Ukrainian parliamentary delegation headed by the Chairman of the Supreme Rada (Parliament), Alexander Moroz, accomplished their official two-day visit to Moldova Friday [24 June]. The delegation had a farewell meeting with President Mircea Snegur, at which the sides spoke for a soonest possible ratification of the Framework Treaty on Friendship, Good Neighborly Relations and Cooperation, for rendering comprehensive support to Ukrainians living in Moldova and Moldovans residing in the Ukraine.

They stressed the necessity to demarcate and delimit borders, liquidate customs barriers, to set up an international border station in Jurjulesti village (south Moldova, on the Danube River) jointly by Moldova, Ukraine and Romania, and to found a joint-run free economic zone.

Mr. Moroz stressed the Ukraine is interested in stability in eastern Moldovan areas, and, as a OSCE member, it is ready to promote establishment of peace and stability in the Dniester region. The delegation had meetings with leaders and various factions of the Moldovan Parliament, with Ukrainian societies in Moldova, and the Dniester administration.

The sides have agreed to set up joint inter-parliamentary groups to solve available problems, and to submit the above treaty for ratification by both parliaments.

The Ukraine is interested in stability in the zone, and is ready to render assistance in settling the Dniester dispute, Alexander Moroz has stated. He said at today's press conference, this may imply sending experts to participate in the Dniester status law drafting, providing guarantees through international organizations, and, if need be, sending Ukrainian peace keepers. On which Moldovan Parliament Chairman Petru Lucinschi has remarked that "Chisinau will welcome Ukrainian participation in status drafting, because Tiraspol separatist leaders, in defiance of universally accepted international norms, keep on speaking about establishment of their own independent state".

"As for Ukrainian peace keepers, we would not mind their coming here, but the necessity of that would upset us. We proceed from the assumption that it is necessary to settle the conflict once and forever, the sooner the better, and not to safeguard peace by keeping special-purpose forces in the region", Petru Lucinschi said. The Moldovan and Ukrainian Parliament Chairmen expressed confidence that the Russian troops' transit via

the Ukrainian territory can be negotiated and settled by specialists. Moroz said, the transit question ought to be solved in accordance with international rules, and by making a differentiated approach to transporting each particular kind of cargo. He failed to name even a rough cost of such transit, having remarked that was in the competence of specialists, too. Lucinschi refuted arguments of those who speak about impossibility of weaponry removal due to anticipated transit problems, because, as he said, it is not in Kiev's interests to have such huge explosive arsenals right near the border. Answering INFOTAG's question, Alexander Moroz stressed the sides will begin practically solving the border demarcation and delimitation problems just the next week. He stressed that fixing the current borders, their inviolability and observance of territorial integrity is one of the basic principles governing the relationship between the two states.

Alexander Moroz has named Moldovans and Romanians permanently living in the Ukraine as "native residents", not Diaspora. He stated at today's news conference that the Ukrainian law on ethnic minorities is the best in the world. In his words, his country does everything to make ethnic non-Ukrainians feel protected in all regards — juridically, socially, culturally, and educationally. He replied to INFOTAG's correspondent that he would like to see the Moldovan Parliament and Government to treat the 600,000 Ukrainians in Moldova exactly the way ethnic Moldovans and Romanians are treated in the Odessa and Chernovtsy regions in the Ukraine. The guests pointed out that over 90 Romanian-language secondary schools operate in the Chernovtsy region alone. Ethnic Moldovans are represented in areal, regional and all-republican legislative and executive bodies of the Ukraine.

The Moldova's experience in successful conducting of reforms is useful for the Ukraine, Alexander Moroz said at the press-conference today. National currency introduction, serious monetary and credit policy, state property privatization are measures yet to be undertaken in the Ukraine, he said. In his opinion, the bilateral inter-parliamentary commission will soon begin preparing for ratification such essential documents as agreements on promotion and protection of investment, on double taxation avoidance, agreed customs duties and transport tariffs, and recognition of diplomas of Moldovan and Ukrainian educational establishments on both territories.

Snegur Talks With Visiting Yugoslav Foreign Minister

*LD2406180795 Belgrade TANJUG in English
1732 GMT 24 Jun 95*

[FBIS Transcribed Text] Chisinau, June 24 (TANJUG) — Moldova President Mircea Snegur told Yugoslav Foreign Minister Vladislav Jovanovic here Saturday [24 June] that Moldova wanted the war in the former Yugoslavia to end as soon as possible because it was harmful to the interests of the Balkans and the Danubian region.

Jovanovic informed Snegur about Yugoslavia's current position and underscored the need for the international sanctions against it to be lifted. He said the sanctions were an obstacle to peace and a limiting factor for all Danubian countries.

The Yugoslav foreign minister said Belgrade particularly welcomed the fact that Moldova had joined the Athens initiatives for the lifting of the sanctions.

The talk reflected the interest of both sides in establishing full relations in the new conditions created after the disintegration of the Soviet Union and the constituting of the Federal Republic of Yugoslavia.

Jovanovic's meeting with Moldova Deputy Prime Minister Ion Gutu was mainly devoted to possibilities for economic cooperation, which the two sides said existed especially in the agriculture, in view of Yugoslavia's highly developed agricultural-machinery industry and processing facilities.

The Yugoslav foreign minister met also with Moldova Parliament President Petr Luchinskiy, with whom he discussed the situation in the two countries and their parliamentary systems.

Jovanovic and his Moldova counterpart, Mihai Popov, exchanged views on the two countries' political stands and their international interests.

Jovanovic pointed up Yugoslavia's efforts for a peaceful resolution of the Balkan crisis and the lifting of the international sanctions. The Moldova side lent full support to the respective efforts.

The two sides welcomed the full formalization of diplomatic relations between the two countries and said relations should be raised to the ambassadorial level.

Minister Popov was invited to visit Belgrade.

Jovanovic ends the visit to Moldova on Sunday and leaves on a two-day visit to Georgia.

Russian Duma Stand on 14th Army Condemned

*AU2406152895 Chisinau INFOTAG in English
1834 GMT 23 Jun 95*

[FBIS Transcribed Text] Chisinau, INFOTAG, 24/6/1995 — Against the background of consistent efforts by the Moldovan leadership to settle the Dniester conflict and withdraw Russian troops, the Russian State Duma keeps on hindering the positive process backed by international community, in particular by the OSCE, reads a Statement of the Moldovan Ministry of Foreign Affairs delivered to INFOTAG today.

The document stresses that the Russian federal law on providing security in the 14th army deployment zone, adopted by the Duma at the second reading without consideration on June 21, brings the positive trends to naught.

"The Duma's stance enters into a strong contradiction with international law principles, and thus is an overt interference into the internal affairs of a sovereign state", the Statement emphasizes. The Ministry expresses hope that the position of the lower chamber of the Russian Parliament will not obstacle the constructive dialogue between the Presidents and Governments of the two nations.

Background information: The Duma passed the law at the second reading on June 21. This event remained unnoticed by the media, because on that very day the chamber expressed vote of no-confidence in the Russian Government, having concentrated everybody's attention on the sensation. The draft, passed at the first reading in late April, suffered no changes last Wednesday [21 June]. Meanwhile, the document envisages imposing a moratorium on the Defense Ministry' decision to downgrade the 14th Army and on its withdrawal from Dniester — until the conflict has been solved politically. Meanwhile, the Army has been downgraded. Observers believe, the new law will have no influence on the situation in the region. The political atmosphere in Moscow is too hot, and many things will depend on what will be the outcome of the current opposition between the legislature and executive power, and on which of the two will have to quit the political arena.

Dniester's Smirnov: Duma Hearings 'Useless'

*AU2606064695 Chisinau INFOTAG in English
1834 GMT 23 Jun 95*

[FBIS Transcribed Text] Tiraspol, INFOTAG, 23/6/1995 — The president of the secessionist Dniester republic, Igor Smirnov, believes this territorial unit will exist regardless of the course of negotiations between Tiraspol and Chisinau. Smirnov stated that

in his interview with DNESTROVSKAYA PRAVDA (DNIESTERIAN TRUTH) entitled "My principle is 'Don't ruin!'."

He said, "at present, a document is being prepared that will regulate the status of our republic... This document is supposed to be signed by two presidents and approved by the Moldovan and Dniester Parliaments".

Provisions are being drafted currently which will regulate interrelations between Tiraspol and Chisinau in economy, banking and financial spheres, he said.

In his view, the Russian State Duma hearings on the fate of the 14th Army, held in May, "were totally useless, and did not change the situation".

"As long as the army is here, all its property belongs to it. But in case the troops leave, the property must be left to the Dniester people".

Lebed Comments on Withdrawal of 14th Army

LD2406133995 Moscow INTERFAX in English
1242 GMT 24 Jun 95

[FBIS Transcribed Text] TIRASPOL, June 24 (INTERFAX) — Lieutenant-General Aleksandr Lebed, the former 14th Russian Army commander, still believes it is impossible to withdraw the troops from Transdnier before the conflict is settled there.

As he declared in an interview with Interfax, it "remains a riddle for him what the deputy defence minister Konstantin Kobets, the chief military inspector meant by claiming the other day that the 14th Army will start to be pulled out of Transdnier just within the next few days."

In Lebed's opinion, technically, it is possible to move weapons from army depots, "but only if one distracts himself from the real situation in the region or if he does not know it."

"Just like the population in Transdnier, its authorities are flatly against any withdrawal, and a secret pull out is impossible, the general noted. For this reason, I regard the withdrawal of any piece of military hardware, fire arms included, simply unfeasible."

Lebed confirmed that the Defence Minister Pavel Grachev was expected to arrive in Moldova on June 26.

"In all likelihood, the problems of the 14th army will be discussed," Lebed said, adding that Grachev hardly have any serious proposals to this effect.

Commander of Russian Troops on New Policies

LD2406203895 Moscow Russian Television Network
in Russian 1600 GMT 24 Jun 95

[From the "Vesti" program]

[FBIS Translated Text] [Begin Valeriy Yevnevich, commander of Russian troops in the Dniester region, recording] This is a normal, healthy part of the Armed Forces of the Russian Federation, which is capable of fulfilling any task that, in principle, was entrusted to the 14th Army and is now being entrusted to the operational group of Russian forces in the Dniester region. [end recording]

[Correspondent A. Kondulkov] This opinion was expressed by the head of the operational group of troops in the Dniester region, speaking about the military formation that he inherited following the resignation of commander Aleksandr Lebed. During the interview he gave to us, the new commander put on the table a collection of military manuals especially brought by him from Moscow. Probably, this symbolic gesture marks a new policy for the former 14th Army, which for the last three years has determined not only relations between Chisinau and Tiraspol but also the internal political situation in the Dniester region. It was precisely this army that stopped the war. It is precisely the military commandant's office and special purpose detachments of the Army that have provided at least some kind of order in Tiraspol in combatting crime. The inhabitants say that at least there is no shooting at night.

The 14th Army, which was created from the remnants of the Odessa Military District, managed to maintain and increase its combat readiness and preserve the major part of its weapons and large stocks of ammunition. This was done on a territory where it is not clear which orders and whose orders are valid.

The officers are extremely worried about their future although they have been promised that there will be no repressions.

[Begin Yevnevich recording] There should be a planned rotation of personnel. There has been no rotation of officers here for several years, and there are officers who have been serving in the Dniester region without changing their place of service for two, three, and five years. Everything will be resumed now. [end recording]

[Kondulkov] Today is a community service day in the former 14th Army. The former 14th Army is preparing for Grachev's arrival. It is expected that the Defense Minister will arrive in Chisinau and will later visit Tiraspol. The questions he will be asked will not only be about personnel.

Kazakhstan

President Greets Kazakh German Congress

LD2306193595 Moscow ITAR-TASS in English
1408 GMT 23 Jun 95

[By Gennadiy Kulagin]

[FBIS Transcribed Text] ALMATY, June 23 (ITAR-TASS) — "Kazakhstan has always done and will continue to do much for the comprehensive development of national cultures and mutual enrichment of the peoples in our country. We consistently favour a comprehensive and well-balanced approach to the solution of many pressing problems raised by representatives of different nationalities living in Kazakhstan, including Germans," President Nursultan Nazarbayev of Kazakhstan said in a message of greetings to a congress of Kazakhstan's Germans. The congress is due to open in Alma Ata on June 24.

The President expressed confidence that international accord and civic unity in society will be further strengthened also thanks to the work of the German forum.

"Your fate has for many years been inseparably linked to the life of the people of Kazakhstan. Industry and effective organisation of Germans need no special praise. We appreciate greatly your contribution to the development of the republic's economic and spiritual potential, we sincerely respect outstanding craftsmen, scientists, artists and cultural figures," the President of Kazakhstan said.

Ethnic Germans Encouraged to Remain

LD2406161995 Almaty Kazakh Television First
Program Network in Russian 1100 GMT 24 Jun 95

[FBIS Translated Excerpt] The second congress of Germans of the Republic of Kazakhstan began its work today. About 350 delegates from all regions of the republic and the Near Abroad gathered in Almaty to continue the dialogue with the government for the revival of ethnic groups in Kazakhstan.

[Unidentified correspondent] The greetings speech from President Nursultan Nazarbayev was read by Tulegen Zhukeyev, the state adviser on national security. The ethnic minority issue has always been a complicated and delicate one. The Kazakh Government sincerely considers the departure of Germans from Kazakhstan a major loss and is interested in their remaining in Kazakhstan.

This issue causes great anxiety for the Federal Government of Germany. As Secretary of State Walter Priesnitz said today, about 350,000 people left Kazakhstan for Germany in 1992-94. During the first five months

of this year almost 40,000 people left. One of the main reasons for this is the generally difficult standards of living in Kazakhstan, and in addition a lack of confidence among Germans themselves, who are afraid that they will not be able to preserve their ethnic cultural identity in the new national state of Kazakhstan that is being formed. [passage omitted]

[Begin recording] [A. Dererer, chairman of the Council of Germans] About 600,000 Germans live in Kazakhstan. There are various kinds of viewpoints, different opinions, and debates. At this congress we must define the direction in which we are to move. Everything is connected with the economic situation, the social and political situation, and so on. What is to be done in concrete terms, to make the Germans stay? Of course, the creation of a more favorable atmosphere and environment, so that people feel that they are of some use here, that nobody is driving them out, and that they can develop here and survive as an ethnic group.

[Z. Hoffman, president of the international German society Freiheit] I am very proud that it was the first congress of Labor Army Veterans that became a good landmark for the joint consolidation of the two governments' political measures. This was also noted today, and God willing, things will work out as planned: Let the people at the congress disperse and let everyone be informed and understand all the decisions and discussion properly, so that there will be less of a consumer mentality and more of a creative one. [end recording]

[Correspondent] For those who do not see any prospects for themselves and their children in their current home, the possibility exists of moving to Germany. However, the Federal Government is interested in as many people as possible not choosing this option. This is because life is becoming complicated in Germany, too. New work places are not created so quickly. It is rather harder to cope with this problem for those arriving from outside the country. Everyone who makes the decision to leave has to think about this, Walter Priesnitz underlined in his speech. That is why one of the most important tasks of the congress is how to bring about a situation, through joint efforts, where most Germans stay in Kazakhstan, in their Motherland, and to do everything for the development of private enterprise and of industry on the basis of German credits granted to the representatives of the German diaspora.

The congress will continue its work tomorrow.

Ethnic Germans Seek Limited Autonomy

LD2506175195 Almaty Kazakh Television First Program Network in Russian 1400 GMT 25 Jun 95

[FBIS Translated Text] The second congress of the Council of Germans of Kazakhstan has been held in the capital of the republic.

[Unidentified correspondent] On the second day of its work the congress reviewed matters relating to the adoption of a conceptual plan of work for the staff of Council of Germans in specific areas: Economy, education, culture, rehabilitation, and resettlement. Delegates voiced various views and proposals.

Emigration proved the most contentious issue. There are currently about 4 million Germans living in the former Soviet Union. Every year 200,000 of them emigrate. The economists calculate that this means losses of \$5 million. Since fate willed that we should be born, grow up, and be educated here, and since we consider this land our motherland, why should we leave it for an uncertain future?

We are leaving not because of financial difficulties, but because of the impossibility of developing in ethnic and cultural terms.

Compact ethnic districts must be formed, and these must be given an opportunity to govern themselves, the delegates said.

Events did not pass without excesses.

A certain Hoffman suggested to the participants that they should move collectively to Kaliningrad, set up an autonomous entity there, and take up German citizenship. Delegates shouted: We do not need provocateurs, and removed him from the hall.

[Begin A. Rende recording, deputy chairman of the Council of Germans in Kazakhstan] We are going to adopt a conceptual plan on self-organization and self-government for the Germans living in Kazakhstan — or as the delegates put it in their motion — the Germans of Kazakhstan. I think this will be our biggest achievement, because we will have a legal document that will give us an opportunity to set up our structures in a more organized way, and to organize our people to implement the decisions made in our republic.

Well, we are also going to make decisions to solve a number of our problems. The main thing we are attempting to do is, of course, to revive our culture and revive our language. There is even benefit in the fact that we have met and seen each other, and that we have gathered our activists. I think that people go home somehow inspired after each congress. [end recording]

Results of Kazakh-Indonesian Summit Discussed

Foreign Minister on Relations

LD2306204495 Moscow ITAR-TASS in English 1432 GMT 23 Jun 95

[By Andrey Bychkov]

[FBIS Transcribed Text] JAKARTA, June 23 (ITAR-TASS) — Kazakh President Nursultan Nazarbayev said upon results of the Kazakh-Indonesian summit that ended on Friday that from now on, Kazakhstan regards Indonesia as its key partner in Southeast Asia, Kazakh Foreign Minister Qasymzhomart Tokayev told ITAR-TASS today.

Nazarbayev paid his first state visit to Indonesia in the history of the two states, to hold talks with President Suharto. Nazarbayev was accompanied by a representative state and government delegation.

"Through Indonesia, we wanted to find an approach to the Association of South East Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC)," the Kazakh foreign minister said.

"Taking into account Kazakhstan's place and role in another economic group which includes Afghanistan, Iran, Pakistan, Turkey, and Central Asian republics, Almaty could accept the role of a particular 'bridge' between this group and ASEAN," Tokayev said.

He added that Indonesia reacted positively in this aspect. In particular, Jakarta agreed to take steps already at the next meeting of ASEAN foreign ministers — Brunei, Indonesia, Malaysia, Singapore, Thailand, and the Philippines — to grant Kazakhstan a certain status in relationship with this organisation.

Indonesia also promised to raise the issue of developing economic interaction between different regional groups.

Bosnian Peacekeeping Efforts Supported

LD2306223695 Moscow ITAR-TASS World Service in Russian 1233 GMT 23 Jun 95

[By ITAR-TASS correspondent Andrey Bychkov]

[FBIS Translated Text] Jakarta, 23 June — Indonesia and Kazakhstan support the peacekeeping efforts in Bosnia and Herzegovina of both the United Nations and the world powers. The views of the two countries coincide in this, Kazakh Foreign Minister Kasymzhomart Tokayev told the ITAR-TASS correspondent in an interview today. He is a member of the delegation led by Kazakh President Nursultan Nazarbayev, which has arrived in Jakarta for a summit with Indonesian leader Suharto.

In talks with Indonesian Foreign Minister Ali Alatas, K. Tokayev said, both parties expressed regret at the actions of the Bosnian Serbs who recently took UN peacekeepers hostage. This had made it much more difficult to carry out the UN's mandate in the former Yugoslavia.

Furthermore, Almaty and Jakarta believe that "the process of recognizing the former Yugoslavian republics should begin." For this, the minister stressed, it is necessary to seat the spokesmen for the conflicting sides around the negotiating table in order for them to solve their problems on their own with the involvement, of course, of the great powers.

Nazarbayev Encourages Indonesian Business

LD2606065595 Moscow *ITAR-TASS in English*
0644 GMT 26 Jun 95

[By New York Andrey Bychkov]

[FBIS Transcribed Text] JAKARTA, June 26 (ITAR-TASS) — President of Kazakhstan Nursultan Nazarbayev's state visit to Indonesia, the first in the history of relations between these two countries, ends today. The Kazakh leader held talks with his Indonesian counterpart Suharto, during which they discussed bilateral relations, as well as a number of international problems, in particular, the situation in Bosnia-Herzegovina, Kazakhstan's Foreign Minister Qasymzhan Tokayev told ITAR-TASS.

According to Tokayev, the heads of the two states support peacemaking efforts in Bosnia by the United Nations and super powers. As far as Chechnya is concerned, Indonesia, as well as Kazakhstan both favour rapidly reaching positive results through talks in Groznyy.

Tokayev noted that the visit's outcome provides grounds to Kazakhstan to include Indonesia to the list of its key partners in South-East Asia. Nursultan Nazarbayev displayed deep interest in Indonesia's experience of the economic development and called on Indonesian business circles actively to take root in the economy of Kazakhstan.

In its bid to attract investments, Almaty is introducing a system of concessions for foreign investors of capital and providing guarantees to protect capital investments, the Kazakh leader said. Indonesia and Kazakhstan signed an interbank agreement, as well as a document on cooperation between chambers of commerce and industry of the two countries.

Oil Industry Suffers From Caspian Sea Flooding

LD2406183095 Almaty *EKSPRESS in Russian*
20 Jun 95 p 5

[Report by EKSRESS correspondent Erik Nurshin from the Caspian crisis zone]

[FBIS Translated Text] I was there last Sunday. Dozens of towns and villages have been flooded by the Caspian Sea bursting its shores. Hundreds of oilwells and oil storage tanks are already under water. Whole rivers of oil are flowing into the Caspian Sea today, and the fish have long since disappeared.

I will tell you a number of statistics that indicate that Atyrau will be flooded in the near future and that foreign gourmets will be deprived of salmon and caviar, unless we all eat this caviar mixed with oil.

Since 1978 the level of the Caspian Sea has risen by 2.4 meters. In some places the sea has advanced up to 70 km. A strip of land around the shore with an area of around 0.9 million hectares has been flooded. A total of 89 settlements, over 30 oil fields, and over 700 oilwells are under threat of flooding. At present, 605,000 hectares of arable land have been flooded. In the near future, an area of 702,000 hectares of arable land will be submerged. Over 700 km of hard-surface roads, 246 km of railway track and district and regional airports are moving into the possible flood zone.

In fact, seven settlements that were inhabited by 3,200 Kazakhstan people have also been flooded. These are the villages of Beresin and Karabulek in Isatay District, Kisthai, Saribay, Goluboye, and Karakul in Kurmangazi District, and Karakamys in Makhambet District of Atyrau Region. In addition, 26 settlements require immediate resettlement as flooding is expected on another half million hectares of territory that is inhabited by 265,000 people, or about 60 percent of Atyrau Region's population. Large industrial and regional complexes will find themselves under water soon, including the Atyrau complex, Balykshi, and Tengiz.

Today, a total of 127 oilwells have been flooded in the Tengiz field, bringing annual oil losses up to 140,000 tonnes. In other words, this huge amount of oil is spilled into the Caspian Sea. All the fish have moved toward Iran for this reason. Annual oil losses are estimated at the fair old sum of \$7.5 million. Altogether a minimum of 1,000 oilwells are expected to be flooded; oil losses will reach 1.5 million tonnes a year. Kazakhstan will lose up to \$50 million in Atyrau alone.

What should be done so that the huge Caspian region does not become completely deserted?

It is necessary to build now — or rather yesterday — an over 1,000 km dike, and not an earthen bank, but a real fortified concrete wall with a total volume of around 50 million cubic meters. A total of 1.6 million tenge have already been raised, but 12 million tenge are needed for the dike alone.

Does the state budget allow for this? After all, large amounts of funds are needed to fight the elements in many other areas. For example, out of the 993 km of major road surface in Atyrau Region, a total of 170 km were partially and 17 km totally flooded. Over 1.5 billion tenge are needed to repair regional roads. Another approximately 2 billion tenge are needed to repair electricity cables. Even 107 km of oil pipelines have been submerged. Up to 16 million tenge per kilometer are required in order to relocate flooded railway tracks; over 70 km of track were flooded in all.

A huge number of houses — over 3,000 — also found themselves in the sea. A minimum of 24 billion tenge are required to provide housing for the unfortunate inhabitants. Do you see the difference?

We are dealing with the most global catastrophe in the world. However, although increasing numbers of representatives of foreign states and the United Nations are visible, our leaders from Almaty are nowhere to be seen; they are rare guests. But they do turn up for banquets. Until now, the state budget has not earmarked tens of billions of tenge to deal with the consequences of the Caspian catastrophe.

Local oil industry workers extract over 3 million tonnes of black gold annually. Their proposal is: "Give us the proceeds even of 1 million tonnes and we will cope with the Caspian floods." It is a good thought, but it remains unanswered. The bigwigs will probably only stir when the sea reaches the future capital.

Future of Kazakh Constitutional Court in Doubt

LD2506091495 Almaty KARAVAN-BLITZ in Russian
21 Jun 95 p3

[By T.Abaydeldinov, head of the department of labor and civil law, Kazakh State University]

[FBIS Translated Text] The new draft Constitution of the republic provides for the abolition of the Constitutional Court.

What guided its drafters?

A fear that it could become politically involved was one of the popular motives during an attempt to eliminate the Constitutional Court in 1992. This is no longer the case today because, assuming that judges were not moved

by legal but by populist and political reasons when pronouncing judgement in the Tatyana Kvyatkovskaya case, it would mean calling into question the legality of that very judgement. None of the other cases investigated in the last three years has given grounds for accusing the Constitutional Court of being too politically involved. One cannot say that the institution of the Constitutional Court is ineffective. There is a clear stalemate.

Clearly, the Constitutional Court does not suit the presidential entourage. Moreover, it is simply afraid of the Court. The judges have proved that they can take tough decisions, and there is no guarantee that they will restrict their adherence to principles to dealing with legislators alone. The justice minister, who is believed to be the chief expert of the project has his own reasons for not loving the Constitutional Court. The Constitutional Court has instituted proceedings on the basis of action brought by the former head of Almaty city justice department on verifying the constitutionality of the Law on the Judicial System. If the plaintiff's suit is upheld, the Justice Ministry will lose a great deal of power over ordinary courts.

If one views the "disappearance" of the Constitutional Court from the draft Constitution in the context of the attempts to abolish it in 1992, to truncate its powers in 1993 and to halt its financing, the conspiratorial way of drafting this project, the meeting of the justice minister with the chairman of the French Constitutional Court Roland Dumas (without the participation of the chairman of the Constitutional Court of the Republic of Kazakhstan) behind closed doors, then it can be said with confidence that the Constitutional Court is very inconvenient for the authorities, despite its shortcomings. Therefore, rumors that the Constitutional Court has allegedly been "hand in glove" with the executive branch of power are groundless, or else there would have been no word mentioned about its abolition.

Kyrgyzstan

Japan Offers \$40 Million for Export Factories

LD2306142995 Moscow INTERFAX in English
0919 GMT 23 Jun 95

[FBIS Transcribed Text] BISHKEK, JUNE 23 (INTERFAX) — In 1995 the Japanese Foreign Economic Cooperation Fund will grant Kyrgyzstan up to \$40 million for helping Kyrgyz plants that produce exports, an adviser to Kyrgyz President Ishenbai Abdyrazakov told INTERFAX Friday [23 June].

"Expanded economic cooperation depends on whether Kyrgyzstan knows how to use the financial, technical

and humanitarian aid it has received from foreign countries," Abdyrazakov said.

In 1993 and 1994 Kyrgyzstan received some \$100 million in credits from the Japanese government. The Japanese credits have already proved their worth at Kyrgyz worsted and cloth mills that put out wool yarn and broadcloth. The new investment enabled the mills to produce export-grade wool yarn.

With help from Japan, preconditions emerge for the advancement of the Kyrgyz textile and food industries which, in turn, can be expected to yield profits for investment in other sectors.

Japan is playing a role in efforts to upgrade Kyrgyzstan's major airport, Manas, to be equipped with sophisticated air-control technology which will make it possible to increase traffic volume.

Free Trade Agreement With Kazakhstan Signed

*LD2306210295 Bishkek KABAR in Russian
1010 GMT 23 Jun 95*

["When there is accord among comrades" — KABAR headline]

[FBIS Translated Text] Bishkek, 22 June [dateline as received] — The government press service reports that intergovernmental talks took place in Bishkek today between Kyrgyz Deputy Prime Minister Aleksandr Moiseyev and Nigmatzhan Isingar, Kazakh First Deputy Prime Minister. The heads and deputy heads of the ministries of the economy and transport, the state energy holding companies, and other sector-related departments of the two states were on the working groups.

The price of the electricity generated by the Naryn hydroelectric power station complex which is sold to regions of the neighboring republic [Kazakhstan], as well as the potential for setting up a most-favored free trade regime between our countries were discussed at the talks.

Today's working meeting ended with Moiseyev and Isingar signing an agreement on free trade. (By the way, this document represents the next step in the development of the partnership proposed by the heads of states of Kyrgyzstan, Kazakhstan, and Uzbekistan for creating a so-called trilateral economic union). Under this agreement the sector-related organizations of fraternal republics will be able to successfully restore old economic relationships and establish and develop new trade and economic contacts.

Other significant results from the talks were the coordinated decisions which were reached on supplying us

[Kyrgyzstan] with Karaganda coal for use at the Bishkek thermal power station over the winter, as well as on channelling water from the Toktogul reservoir to irrigate land in Kazakhstan's Chimkent and Kzyl-Orda regions for a two-month period. The electricity generated as a by-product of this will be consumed by the power grid of the friendly country [Kazakhstan].

Issues of further Kyrgyz and Kazakh cooperation in the economic, scientific, cultural, and other spheres were also discussed during talks between Prime Minister Apas Dzhumagulov, Nigmatzhan Isingar, and members of the delegation. Our head of government wished the people of the fraternal country success in implementing progressive reforms in Kazakhstan.

Tajikistan

President Rakhmanov Briefs Russian Duma MP's

*LD2306210695 Dushanbe Radio Tajikistan Network
in Tajik 1000 GMT 23 Jun 95*

[FBIS Translated Text] Yesterday, President Emomali Rakhmanov received a delegation from the defense committee of the State Duma of the Russian Federal Assembly led by Nikolay Bezborodov.

During the friendly talks, the president of Tajikistan briefed the Russian State Duma delegation on the sociopolitical situation in the country. He reminded them that delegations from eight parliamentary floor groups in the Russian State Duma recently visited our republic and familiarized themselves with the situation on the Tajik-Afghan border. The Tajik president informed the guests about his recent visit to Afghanistan.

Nikolay Bezborodov, the head of the delegation, said that the aim of their visit was to view the conditions of subunits of the [Russian] 201st Motor Rifle Division and the situation on the border. Russia is ready to grant all-round assistance in reinforcing the Tajik-Afghan border because stability on this section of the border guarantees the stability of the Russian Federation and the CIS as a whole, Nikolay Bezborodov pointed out.

Presidential state adviser (?Karim Yuldashev) and Mechislav Senkevich, the Russian ambassador extraordinary and plenipotentiary to Tajikistan, took part in the meeting.

Accusations Denied on Safety of Russian Troops

*LD2406155595 Moscow ITAR-TASS in English
1532 GMT 24 Jun 95*

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, June 24 (ITAR-TASS) — A high-ranking Tajik Interior Ministry official dismissed accusations by the CIS peace-keeping

force commanders that Tajikistan cannot ensure the safety of Russian troops and described them as "hasty and untactful."

First Deputy Interior Minister of Tajikistan Gennadiy Blinov told ITAR-TASS on Saturday that the conclusions contained in a statement issued by the commanders of the CIS peace-keeping troops earlier today are "more than strange."

He pointed out that for almost 24 hours Tajik Interior Ministry officials were not allowed to begin an investigation or question the witnesses — two Russian border guards in Tajikistan.

"We wasted the most valuable in operational and search work — time. We were not given either a forensic medical conclusion about the character and degree of wounds, or other documents," Blinov said.

At the same time, he noted that his ministry is doing its best to find the perpetrators.

Blinov also pointed out that law enforcement bodies have arrested a large group of people suspected of murdering Tajik and Russian soldiers. Indictments have been issued against the majority of them and their cases will soon be handed over to court.

Their work could be more effective if Tajik law enforcement agencies met proper understanding and support of the commanders of Russian border troops and the Defence Ministry's contingent in Tajikistan, Blinov said.

He stressed that not all crimes against Russian soldiers are terrorist acts. He believes that some of them get killed as a result of homicides or a failure to observe safety regulations approved by their commanders.

Earlier today, the command of the CIS collective peace-keeping force in Tajikistan issued a statement saying that the unprovoked murder of Captain Yevgeniy Usikov and Senior Lieutenant Stanislav Kuryayev on June 22, as well as the assassination of over ten servicemen from the Russian military contingent by terrorists in Tajikistan over the past 18 months, point to the "passivity of republican law enforcement bodies in investigating such crimes."

The statement noted that the command "is forced to state that the Tajik government and the leadership of power-wielding and legal structures in the republic are unable to ensure security of Russian servicemen and their family members".

In this connection, "the command of the collective peace-keeping force in Tajikistan is forced to take its own security measures to protect its servicemen".

Military sources in Dushanbe told ITAR-TASS that these measures include increased protection of areas where Russian peace-keepers predominantly live, escort of service motor vehicles with servicemen and their family members by armoured convoys and broader rights of servicemen to use their side firearms in case of a direct threat to their life.

'Sporadic' Clashes Follow Deputy's Death

LD2506091995 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 25 June 95

[FBIS Translated Text] Sporadic clashes are still continuing [word indistinct] between the rival forces of the former so-called Popular Front in Kurgan-Tyube and nearby districts.

It has been established that one of the groups in the conflict is led by Nurali Faqirov, also known as Nurik in the criminal world.

The clashes in Kurgan-Tyube between the criminal forces aimed at dividing power in the area, began eight days ago. Observers consider that the latest clashes in the Vakhsh area are connected with the death of Izzat Kuganov, parliamentary deputy and Popular Front commander, one of the of the criminal world's leaders.

Uzbekistan

Foreign Minister Kamilov on Official U.S. Visit

LD2406165495 Tashkent Uzbekistan Television in English 1530 GMT 24 Jun 95

[FBIS Transcribed Text] Foreign Minister Abdulaziz Kamilov was in the United States on a three-day official visit. He met with a number of senior officials of the U.S. Government.

Mr. Kamilov was met by U.S. Secretary of Defense William Perry in Pentagon. They discussed the issues of mutual consultation in different fields. On the same day, he spoke at the National Press Club in Washington. First of all, the development of relations with the United States will facilitate economic reforms in Uzbekistan, as well as political and other reforms, and will make it easier for Uzbekistan to enter the global economic community, said Mr. Kamilov. He also spoke that Uzbekistan was the only former Soviet state supporting U.S. objections to Russia's plan to sell nuclear reactors to Iran.

Mr. Kamilov also met with some senior U.S. officials, and discussed bilateral relations on regional security and economic issues and signed an agreement permitting unrestricted internal travel for Americans in Uzbekistan.

PRC Delegation Arrives To Discuss Twin Towns

LD2606085195 *Tashkent Radio Tashkent Network in Uzbek* 0600 GMT 26 Jun 95

[FBIS Translated Excerpt] Uzbekistan's relations with foreign countries, especially in cultural relations, have been expanding in recent years. According to information from the National Association for the International Cultural and Educational Relations of Uzbekistan, a delegation from the People's Republic of China, headed by Peng Shaoyi, deputy chairman of Shanxi Province, is conducting a meeting here with a delegation from the friendship society for relations with foreign countries today.

The Chinese visitors want to discuss twinning the town of Taiyuan in Shanxi Province with one of the towns of the Tashkent region. The Directorate of the National Association for International Cultural and Educational Relations of the Republic of Uzbekistan, activists in the Uzbekistan-China society, and personnel from the PRC Embassy in Uzbekistan will take part in the meeting. [passage omitted]

India Invited To Discuss Regional Security

LD2606095395 *Moscow ITAR-TASS in English* 0924 GMT 26 Jun 95

[By Vladimir Shvedov]

[FBIS Transcribed Text] NEW DELHI, June 26 (ITAR-TASS) — Uzbekistan has invited India to take part in a permanent U.N. seminar on security in Central Asia, an informed source in the Ministry of Foreign Affairs of Uzbekistan told ITAR-TASS today.

India, if it accepts the invitation, will be able to participate, together with Russia, the United States, China, Turkey and Iraq, as well as CIS Central Asian Republics in discussions of prospects for the creation of an international system which will work to ensure stability, confidence and cooperation in Central Asia.

The same source said India attaches great importance to a comprehensive development of political, trade and economic relations with Central Asian countries. It is deeply interested in creating conditions for reliable security in the region.

Thirteen participating countries will delegate their representatives to a seminar in Tashkent in August.

EBRD To Help Finance Oil, Textile Projects

LD2306142195 *Tashkent BIZNES VESTNIK VOSTOKA in Russian* 23-29 Jun 95 p 9

[FBIS Translated Text] Oil, textile and other projects are the projects which the European Bank for Reconstruc-

tion and Development [EBRD] intends to implement in Uzbekistan, in addition to financial programs which the bank already operates concerning our republic. Mr. Kazumoto Suzuki, a member of the EBRD board of directors, discussed this during talks which the EBRD held in Tashkent.

In his meetings, in particular with Fayzulla Mullajanov, chairman of the board of the Central Bank of Uzbekistan, he confirmed the EBRD's readiness to take part together with Japan's Eximbank in financing the reconstruction of the Fergana oil refinery, the only enterprise of this structure today. The estimated cost of the project is \$150 million. It includes the installation of equipment for desulphurization of local oil, as well as work on updating the operating equipment and decreasing the plant's negative influence on the environment.

Late in 1993, the National Bank for Foreign Economic Activities of Uzbekistan and the EBRD signed an agreement according to which the Eurobank opened a \$60 million credit line to the republic for the development of small- and medium-sized business. The Government of Uzbekistan came forward as its guarantor. The credit was granted for ten years, including a preferential three-year period. It is interesting that credit rates are being determined for each specific project, and that both floating and fixed rates can be stipulated.

Moreover, the EBRD has become a sponsor of the Regional Banking Training Center in Tashkent, which was created within the framework of the TACIS program. The EBRD's share was 1.5 million ECU [European currency Units]. The EU Commission and the Turkish Government, with the Association of Turkish Banks, made allocations on the same scale. The constituent documents were signed in February 1994, and the center was opened this spring. It is engaged in training banking sector specialists for Uzbekistan, Kyrgyzstan, and Tajikistan.

At present, conditions for a large textile project with the participation of the EBRD are being worked out, negotiations on creating a new bank are being held, and work on creating a joint leasing company started.

Everything points to the Eurobank's obvious interest in cooperating with Uzbekistan, which Mr. Suzuki confirmed, having emphasized that the EBRD considers the support of Uzbek Government reforms to be one of its basic tasks. Europe is interested in the stability and economic prosperity of Uzbekistan as one of the leading states of Central Asia which can influence the development of the entire region.

Armenia

OSCE Head's Representative on Karabakh Named
NC2406150595 Yerevan SNARK in English
1639 GMT 23 Jun 95

[FBIS Transcribed Text] Yerevan, June 23 (SNARK) — Swiss diplomat, Mr. Kreiner [name as received], has been appointed as the OSCE [Organization on Security and Cooperation in Europe] Chairman's personal representative on Nagorno-Karabakh, the Deputy Foreign Minister, Vardan Oscanyan, told journalists today. In a few weeks Mr. Kreiner is expected to visit the conflict area.

Earlier, Mr. Kreiner headed the OSCE mission in Sarajevo.

OSCE Talks on Karabakh Seen 'Constructive'
NC2406151595 Yerevan SNARK in English
1639 GMT 23 Jun 95

[FBIS Transcribed Text] Yerevan, June 23 (SNARK) — Helsinki round of talks on Nagorno-Karabakh under OSCE [Organization on Security and Cooperation in Europe] aegis was significantly more constructive than previous meetings, Armenia's Deputy Foreign Minister, Vardan Oscanyan, the head of Armenian delegation in Helsinki told journalists today.

Announcing that the text of political agreement was discussed, as well as key issues of the conflict settlement, Mr. Oscanyan observed that discords still exist between Azerbaijan and Armenia on the subject of Karabakh security. Azeri party thinks the security is possible only in the framework of general security in the region. On the other hand, Armenia has stated that security of Nagorno-Karabakh and security in the region as a whole are different issues and in this case one should proceed from particular to general. Namely, the provision of Nagorno-Karabakh security, determination of its state, as well as resolution of the problem in general will become the strongest factor of security in the whole region.

The head of the OSCE Supreme Planning Group, Gen. Hekke Villen, appeared in Helsinki, said Mr. Oscanyan. The General reported of ending the preparatory work for creation of OSCE peace-keeping forces. Late in July, the OSCE Chairman is expected to address the member states calling for specific proposals to direct military contingents quoting their number.

The next round of negotiations on Nagorno-Karabakh is planned in Moscow late in July.

Opposition Demands Postponement of Elections

LD2306190595 Moscow ITAR-TASS in English
1448 GMT 23 Jun 95

[By Tigran Liloyan]

[FBIS Transcribed Text] Yerevan, June 23 (ITAR-TASS) — In the last three days the centre of the Armenian capital Yerevan has seen blocked work of the public transport, traffic jams and even wounded people.

This was the result of the actions of the nine opposition political parties which organised a picket and a meeting by the fence of the Armenian president's residence.

The picketers demanded to reconsider the decision by the Central Election Commission of Armenia which refused to register several opposition parties for the participation in parliamentary elections scheduled for July 5, and postpone them, as well as to create the necessary conditions for those forces to take part in the pre-election struggle.

Organisers of the protest action planned that the picket placed by the presidential palace would continue to stay there until the resignation of the republic's leaders. By nightfall the picket dispersed and the people went home.

"We will be maximally tolerable but, certainly, will show resolution, if necessary," Babken Ararktsyan, head of the Armenian parliament, said at a meeting with heads of diplomatic missions and representatives of international organisations accredited in Yerevan.

The meeting focused on the preparation for the elections and the latest events in Yerevan. "We will not allow the day of the parliamentary elections and a constitutional referendum on July 5 to become a hostage in the hands of adventurists," the speaker stressed.

The Armenian authorities will do everything in their power so that nobody could impede the course of the forthcoming elections, Ararktsyan noted.

The Armenian leadership believes that the latest events in Yerevan show the opposition's aspiration to sharpen the political situation in Armenia and prevent free expression of the people's will at the oncoming elections and during the referendum.

Opposition Alliance To Participate in Elections

NC2506050795 Yerevan ARAGIL ELECTRONIC
NEWS BULLETIN in English 0938 GMT 24 Jun 95

[FBIS Transcribed Text] Yerevan, 24 June ("RESPUBLICA ARMENIA" daily) — The "Partnership for Justice" alliance of 10 opposition parties declared during a public meeting yesterday that it will participate in the

elections to RA [Republic of Armenia] National Council on July 5.

Leaders of the opposition declared that the "action which is called elections" is not legitimate, as well as the parliament elected as its result. Their decision to participate in the elections is caused by the desire to control the situation. They promised that, having become deputies, they will restore the democracy in short time, and will then organize new elections.

Leaders of the alliance stressed their adherence to the democratic course and declared they are against chaos and bloodshed revolutions.

Karabakh Assembly Elects Government Officials

NC2306192995 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 23 Jun 95

[FBIS Translated Text] The Nagorno-Karabakh Republic [NKR] Parliament held its first session this morning. Mushegh Ohanjanyan, chairman of the Central Electoral Commission that supervised the parliamentary elections, in his opening statement, said the new parliament will be a permanently functioning professional organ. It is smaller than the previous one. It has only 33 members. So far 28 deputies have been elected in the first and second rounds of voting. All of them are refugees. In Ohanjanyan's view this will enable parliament to stay above narrow party interests.

The main point on the agenda was the election of the parliament chairman. Deputy Karen Baburyan, the former acting chairman of the NKR Supreme Council; Deputy Boris Arushanyan, deputy head of the State Directorate for Special Projects by the Armenian Republic in Karabakh; and Rudolf Martirosyan, director of a department at the NKR Television and Radio Administration, were nominated for the post.

When Martirosyan withdrew his candidacy, Baburyan was elected the chairman of NKR's parliament in a secret vote, with 18 votes to nine.

Parliament Chairman Baburyan proposed Deputy Lavrenti Gabrielyan, the head of the Karabakh Press Distribution Agency, as deputy chairman and Deputy Elma Gabrielyan, senior expert at the NKR Economy and Finance Ministry, for the post of parliament secretary. The two candidates were elected by secret ballot.

With these votes, the 23 June deliberations of the newly elected NKR Parliament were concluded.

NKR President Robert Kocharyan took part in the parliamentary session and addressed the deputies.

The NKR Parliament will continue its deliberations on 24 June.

Baburyan Elected Chairman of Supreme Council

NC2506050695 Yerevan AKAGIL ELECTRONIC NEWS BULLETIN in English 0938 GMT 24 Jun 95

[FBIS Transcribed Text] Stepanakert, 24 June ("AZG", "LRAGIR" dailies) — The first session of the new parliament of the Republic of Mountainous Karabakh was held in Stepanakert on June 23.

Head of the Central Electoral Commission Mushegh Ohanjanyan has opened the session and headed it before the election of the chairman of the parliament.

The parliament has elected mandate and accounting commissions and their heads. Based on the decision of the mandate commission, it affirmed the candidacies of deputies.

Three candidates have been offered to head the parliament: Chairman of former RMK [Republic of Mountainous Karabakh] Supreme Council Karen Baburyan, Deputy Prime Minister Boris Arushanyan, and head of TV & Radio Department Rudolf Martirosyan. After the withdrawal of Mr. Martirosyan, a closed secret voting was held. As a result, Karen Baburyan was elected as the Chairman of the RMK parliament. Former head of "Artsakhmamoul" (Artsakh press/ARAGIL AIP/) agency Lavrent Gabrielyan was elected as Deputy Chairman.

According to the RMK Department of Information and Press, quoting the Chairman of Central Electoral Commission, the new parliament is permanent and professional. It is significantly smaller than the previous one — 33 deputies instead of former 81. Today, based on the first and second stages of the elections, 28 deputies have been elected, none of them is a member of any political party.

President of the Republic of Mountainous Karabakh Robert Kocharyan, Prime Minister Leonard Petrosyan, members of the RMK Government participated in the primary session of new parliament.

Azerbaijan

PFA Begins Congress in Baku as Police Keep Watch

NC2406205095 Baku TURAN in English 1007 GMT 24 Jun 95

[FBIS Transcribed Text] Baku, June 24 (TURAN) — Today the third Congress of the PFA [Popular Front of Azerbaijan] has started in Baku.

The Congress will introduce changes in the Charter and consider the issue concerning new status of the PFA, that is transformation of this public organization into a

political party, will hear the report of the chairman about the situation of the republic, the reports of the elective bodies, consider the current as well as other issues.

The PFA Chairman, Abulfaz Elchibey, is in Nakhichevan and he will not attend the Congress. His Deputies will make the report on behalf of his name.

The delegates of the Congress, who arrived at 10 a.m., were not admitted to the building of the House of Culture by Ahug Alesker. The administration of the House of Culture and the Chairman of Azerbaijan's Trade Union Council, Sattar Mehbaliev, told the PFA representatives that the leadership of the country prohibited conduction of the PFA Congress in this building. The units of policemen, which arrived there, did not interfere. Later the Deputy Chief of Baku's Senior Police Management, Yashar Aliyev, and the Deputy PFA Chairman, Ibrahim Ibrahimli, got in touch with the speaker of Parliament, Rasul Guliyev, by telephone, who said that the PFA Congress must be conducted without any obstacles. The Chief of the police Mageramov and the head of the Executive power of Baku Allahverdiyev signed the resolution permitting conduction of the Congress.

The Deputy PFA Chairman, Ali Kerimov, told TURAN that yesterday the UN representative in Azerbaijan, Mahmud al-Sa'id, made a request to the speaker of the Parliament to create the conditions for the PFA Congress conduction. Rasul Guliyev assured the UN representative that he spoke to Azeri President to this effect and promised that such conditions will be created.

Aliyev Convenes Meeting To Debate Problems **NC2306204295**

[FBIS Editorial Report] Baku Azerbaijan Radio Televiziyasi Television Network in Azeri at 1600 GMT on 23 June carries a report on a meeting in the Republic Palace in Baku today involving representatives of the various sections of the population. President Geydar Aliyev opens the meeting with a 40-minute address.

In his statement, Aliyev says the meeting was called "to survey and analyze the sociopolitical processes in Azerbaijan and the problems relating to Azerbaijan's domestic and foreign affairs and to consider how to implement the necessary measures for our republic's progress, taking into consideration the people's views."

Aliyev adds: "The year 1995 will be a year of measures in the major social, political, and statehood processes in the independent Azerbaijani Republic."

Aliyev says these processes are taking shape and that efforts are under way to establish a democratic and

law-based state and implement economic reforms. He says the privatization program will be submitted for parliament's consideration in the coming days, the parliamentary elections have been set for 12 November, and work is going on to prepare a new constitution for Azerbaijan. Aliyev adds that internal political stability and the consolidation of Azerbaijan's international role are necessary to achieve all these. Therefore, he says, this popular meeting was needed to chart a smoother path to achieve all these goals.

But, he says, to chart a course, we should glance at the recent past and deliver the correct judgment on the past and current processes. He says that in the past Azerbaijan could not create the necessary conditions for independent existence and achieve its goals, largely due to "Armenia's aggression against Azerbaijan and the seven-year war." He says the "Armenian aggression" was planned by forces cooperating with Armenia "to deprive the Azerbaijani people of its freedom and divide and destroy the Azerbaijani Republic." Therefore, he says, the Azerbaijani people should direct their efforts against this evil. But, he continues, this was not the case in the past because there were also "internal factors detrimental to the independent existence and development of the Azerbaijani Republic. They probably created more difficulties than the aggression by Armenia." As a result, he adds, the Azerbaijani Republic has faced difficulty in fully utilizing its economic, scientific, and intellectual potential during its three and a half years of independence. Aliyev then refers to the domestic turmoil in Azerbaijan in 1993 and 1994 and accuses "various forces" of attempting to destabilize and create conflict in Azerbaijan at the time the government was trying to stabilize the domestic situation and consolidate Azerbaijan's international position.

He adds: "In the same period the Azerbaijani State took the necessary measures to raise the country's international standing and to secure a fitting niche for our republic. These measures produced the desired result. Peace talks were launched to end the war and to secure our republic's territorial integrity. A reliable cease-fire agreement was achieved for the first time in May 1994. We have been living with a cease-fire for the past 13 months. We are taking the necessary measures to extricate our republic from the war, to end the war, and to fully ensure Azerbaijan's independence and sovereignty by guaranteeing its territorial integrity. These are our great achievements, because the cease-fire and the cessation of the military operations have created suitable conditions for realizing foreign policy measures. It has also shown the world that Azerbaijan is a peaceloving state. Undoubtedly, all these things require lasting and stable peace and the ensuring of

Azerbaijan's territorial integrity and liberation of the occupied land. Therefore, we have tried to fruitfully use this period and implement the vital measures needed in our republic's life. Much has been achieved. But it appears things do not suit various forces abroad that are against the Republic's independence and its people living in security and peace. They are trying to disrupt the domestic peace and to violate the cease-fire."

Aliyev asserts that the signing of the oil contract on 20 September 1994 was yet another of "Azerbaijan's greatest achievements." But, he adds: "This contract greatly disturbed Azerbaijan's foreign enemies. A propaganda campaign has been launched against it. There are foreign forces trying to pressure our republic. There are people trying to prevent the implementation of this contract. And, sadly, their moves are coinciding with moves by forces at home that are hostile to our people, country, and state." He adds that it was these forces that attempted a coup d'etat in October 1994. He says the popular forces defeated it, but these forces, instead of drawing a lesson from their defeat, united for another coup attempt in March. Aliyev states that, again, the people defeated them but goes on to warn: "The hostile forces from within and without have not yet abandoned their ugly intentions." He says some people escaped and "are hiding inside or just outside the Republic while their leaders have gathered in Moscow and are hatching plots to disrupt stability in Azerbaijan and launch a new attempt against the Azerbaijani State." Aliyev says these efforts will produce no result because the Azerbaijani people are now capable of "differentiating between black and white" and are determined to defend the independent state and maintain social stability.

He concludes by urging the meeting to conduct an open discussion to make an objective assessment of events and draw conclusions from them, proposing views on the measures to take to enable Azerbaijan to develop along the path of democracy.

Convened in Relation to Coup Attempts

*NC2406185095 Yerevan SNARK in English
1539 GMT 24 Jun 95*

[FBIS Transcribed Text] Baku, June 24 (SNARK) — "I am ready to sacrifice my life for the sake of prosperity in Azerbaijan", announced President Aliyev appearing at a two-day national forum called in connection with recent attempts of coup in Azerbaijan.

The President charged the former head of the state, Ayaz Mutalibov, in a willful yield of Shusha and Lachin to Armenians in 1992, aimed to repeatedly seize power in Azerbaijan.

Touching upon his coming to power in June 1993, when the "rebellious colonel" — and later the Prime Minister — Suret Guseynov led his troops to Baku, Aliyev said "I didn't go to Baku to take power, I was invited by population".

The President condemned the anti-popular actions of Huseynov and his associates by calling them bandits and doped. Forum demanded from Moscow to hand over Ayaz Mutalibov, Suret Guseynov and other persons hiding in Russia who are charged in attempted seizure of power by non-constitutional methods.

Protocol on Export of Oil Through Russia Signed

*NC2506050895 Baku TURAN in English
1008 GMT 24 Jun 95*

[FBIS Transcribed Text] Baku, June 24 (TURAN) — The Azerbaijani Government has approved the protocol on possibility of export of primary Azeri oil through the territory of Russia signed by the President of SOCAR [State Oil Company of Azerbaijan Republic], Natiq Aliyev, and Russia's Minister of Energy and Fuel, Yuriy Shafranik, in Moscow. The document has been recently signed by Vice-Premier Abbas Abbasov, the President of SOCAR told TURAN's correspondent. From the Russian side the protocol has been approved by Vice-Premier Davydov.

As we have been credibly informed, the same Georgian-Azerbaijani document has been already prepared and it is due to be signed in the near future. This document provides for creation of the working groups, which will deal with determination of the technical possibilities of the export, volume of export and commercial terms, that is transit tariffs. He said that "Azerbaijan wishes the pipeline to be laid through Russia and the Russian party expressed desire to cooperate with us". Moscow gives the guarantees of safety, reliability and assess to the infrastructure on the territory of Russia.

Commenting on the essence of the documents, President of SOCAR mentioned that signing of such protocol with Russia does not mean that the primary oil will be exported only through the Russian territory.

Asked how much the opinion that Azeri oil will be processed on Baku's refineries and only the oil of the consortium will be exported is substantiated, Natiq Aliyev said that we speak about the shipment of the Azerbaijani primary oil as a whole.

He also said that there are no preliminary calculations on the Russian or Georgian variants. Questioned whether Russia will be able to meet its commitments, taking into account the situation in Chechnya and around it, Natiq Aliyev answered: "I am not interested in the situation in

Chechnya, I am interested in the shipment of the Azeri primary oil to the Black Sea. The basic thing is that there are the guarantees of the Government, which is responsible for its commitments".

Prosecutor Sums Up Probe of 'March Mutiny'

LD2306222295 Moscow *ITAR-TASS in English*
1654 GMT 23 Jun 95

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] Baku, June 23 (ITAR-TASS) — Azerbaijani Prosecutor Eldar Gasanov has announced the results of an investigation into the March mutiny in Azerbaijan at a public meeting in Baku today. Gasanov said that the ultimate goal of the rebels was to overthrow the legitimate government, to exterminate Azerbaijani President Geydar Aliyev and establish a puppet regime under the leadership of former Azerbaijani President Ayaz Mutalibov.

The prosecutor pointed out that the plan of the coup, masterminded by foreign secret services, envisaged the seizure of the presidential palace, the buildings of the Azerbaijani National Assembly, the Interior Ministry, the state radio and television broadcasting corporation and the creation of the so-called State Council. The council was to have been set up following the assassination of President Aliyev. It was pointed out that the State Council was supposed to take over power in the country.

The prosecutor said that if the rebels had carried out their plans a number of countries would have been given a free access to the country's wealth. In his opinion, a second coup d'etat in mid-March 1995 was undertaken because a number of people involved in the October 1994 crime had not been brought to justice. This can be confirmed by the fact that both revolts had been staged by the same people, in particular, former Deputy Interior Minister and chief of the special task force police unit Rovshan Dzhavadov.

The incompetence of Azerbaijani power ministers was said to be the main cause of the two mutinies. The investigators established that a number of foreign envoys and local high-ranking officials had been involved in the coup d'etat. Serious charges were made against the Azerbaijani people's front. Azerbaijani Security Minister Namik Abbasov said that the people's front had used every chance to restore its own power and even built up illegal armed formations. Azerbaijani Interior Minister Ramil Usubov said that during the investigation into the March 1995 mutiny numerous crimes were disclosed involving the rebel special task force police unit, whose criminal record includes murder, robbery, racketeering and extortion. Usubov said that 600 people

were detained who had been on lists of people wanted by the police.

Georgia

Yugoslav Foreign Minister Arrives in Tbilisi

LD2506215695 Tbilisi *Radio Tbilisi Network in Georgian* 1400 GMT 25 Jun 95

[FBIS Translated Text] Vladislav Jovanovic, foreign minister of the Federal Republic of Yugoslavia, arrived in Tbilisi on 25 June. He is expected to meet head of state Eduard Shevardnadze, Foreign Minister Aleksandre Chikvaidze, and Supreme Council Speaker Vakhtang Gogvadze.

Memorandum on Cooperation With Israel Published

LD2306212095 Tbilisi *SAKINFORM in Russian*
0902 GMT 23 Jun 95

[FBIS Translated Text] [No dateline as received] A memorandum on mutual understanding and cooperation between the Republic of Georgia and the State of Israel, which was signed during the visit to Israel by Georgian Head of state Eduard Shevardnadze [18-20 June], was published in Tbilisi.

The two sides confirm their intention to develop and strengthen cooperation on the basis of equal rights, mutual respect, sovereignty, peaceful settlement of disputable issues, and noninterference in each other's internal affairs in compliance with the principles of the UN Charter and international law.

Country's \$1,079 Million Foreign Debt Detailed

AU2306210195 Tbilisi 7 *DGHE in Georgian*
9-15 Jun 95 p 1, 2

[Unattributed report: "Georgia's Foreign Debt Has Exceeded \$1,079 Million" — all figures as published]

[FBIS Translated Excerpt] The meeting of Georgian Government donor states and creditors that was due to be held in Washington on 6 June under the aegis of the IMF was postponed until 20 June [now set for 28 June].

The Georgian Government was informed of this by a telephone call from Shadman Valavi [not further specified] at 0300 on Saturday. The official reason for postponing the meeting was as follows: Until Parliament adopts the law on the National Bank and legalizes the bill on the introduction of changes to legislation on taxation and until the Georgian Government makes a realistic start on resolving the problems connected with restructuring the foreign debt, the meeting of donor states and creditors will prove to be unprepared and less

productive. As is known, great importance is attached to the 6 June (now 20 June) meeting from the point of view of the transfer of a stand-by credit to Georgia from the IMF, one of whose basic demands is the elaboration of a mechanism for servicing the foreign debt.

It was not the Georgian Government's relations with the IMF, but its relations with creditor countries that was the reason for postponing the meeting. [passage omitted]

Georgia's creditors are Turkmenistan, Russia, Turkey, Austria, Iran, China, Kazakhstan, Armenia, and Azerbaijan. The deficit in the balance of payments amounts to \$1,079,067,887.

The dynamics of the loans received by Georgia from Russia is as follows: 1. 1992 — \$135 million; 2. \$6 million, debt amounts to \$377,000; 3. \$6.55 million whose repayment is planned to start in 1996. [passage omitted]

The so-called outstanding debt to Turkey amounts to \$13 million and the interest owing on this is \$1.248 million. However, it should be pointed out that \$747,000 in interest has already been paid. A total of \$240,000 has to be paid as a fine incurred on the loan.

Following negotiations conducted by Eximbank with the Turkish side, the payment of the basic credits received in 1994 and 1995 has been deferred by three years to 1997 and 1998 respectively. The interest rate on nondeferred credits is LIBOR 2 1/2 percent (LIBOR [London Interbank Offered Rate] — the optimal interest rate adopted in accordance with international standards) and on outstanding credits — LIBOR 3 percent. If they are not paid by 31 October 1995, the interest rate will be LIBOR 5 percent.

The debt to Austria amounts to \$28 million.

Georgia's debt to Iran is \$8.4 million. According to an agreement that has been reached, if Iran is not supplied with the corresponding amount of goods by 1 January 1996, the loan will be qualified as financial debt.

The debt to China is \$3 million.

The two debts to Kazakhstan — \$17.8 million and \$4.4 million — have already been deferred.

The debt to Azerbaijan is \$4.2 million. In addition, the amount owing to Azerbaijan for electric power amounts to \$11 million.

The debt to Turkmenistan has been qualified as a credit over seven years. In its restructured form, it amounts to \$448.72 million.

Shevardnadze Sees 'Form of Statehood' for Abkhazia

LD2406190395 Tbilisi First Program Television Network in Georgian 1500 GMT 24 Jun 95

[FBIS Translated Text] The Constitution Commission met on today to examine articles in the draft constitution relating to Georgia's territorial arrangement.

Two main positions emerged during the meeting. In the opinion of one group of commission members, it is expedient for our country, from both legal and pragmatic points of view, to have a federal arrangement, with Abkhazia, Ajaria, and the self-governing Tskhinvali region being subjects of a federal state. Proponents of the other view favor a unitary arrangement for the Republic of Georgia because they feel that a federal state will create a danger of confrontation between regions and separatism.

As a result of the examination, the commission endorsed the articles in the draft constitution concerning territorial arrangement. Thus, today the Constitution Commission completed the examination of almost every article in the constitution.

[Begin Shevardnadze recording, shown speaking at a commission meeting] What are the dangers of a federal state, why are we afraid of it? What is a federation? According to the modern interpretation, this is, first of all, when one subject or when people are governed by two levels of authority. Second, each of the levels has its competences, which are laid down, of course, by the constitution and law. Third, there are certain guarantees for the autonomy of each of the levels within their competences. A federal state has the right to exist, (?and Georgia is not trying to be original in this).

What we are proposing to society and the state today is an asymmetrical federation. We should reconcile ourselves to the idea that in the conditions of a single Georgia, Abkhazia will have a form of statehood. In any case, Georgia should have its own concept for solving the Abkhaz problem and concerning its statehood. This should be a concept and position that is acceptable for the Abkhaz — I do not mean Ardzhinba — acceptable for the 300,000 or 400,000 people who will return there, acceptable for the world public, for the UN Security Council, and not least for Russia.

The Duma examined this issue yesterday. A rather influential group of deputies proposed that all restrictions on Russia's border with Abkhazia and with South Ossetia, or the Tskhinvali region, be lifted. This was rejected by the Duma because — this was one of the arguments against it — Georgia is serious about solving the Abkhaz problem. From a total of about 400 deputies, some

150 supported the easing of restrictions, while the rest were against this, saying that it was not their business and that Georgia's position is quite acceptable since it is in accordance with the interests of the Abkhaz, the Georgians, and Russia itself.

A federation is far from being a system that constitutes any threat of disintegration. That is because it is up to us, up to our constitution, to ensure that there is no ground for separatism in any part of the country.

If anybody thinks that the question of Samegrelo was decided by force, then they are wrong. Samegrelo was overrun four times with weapons, with tanks, and armored vehicles. There was a lot of looting, killing, and much more going on there, but this did not bring Samegrelo to its knees. The question of Samegrelo was finally resolved when we began talking to its people by normal, human, and political means. A great role in this was played by Givi Lominadze.

When talking about the state's territorial arrangement, it is desirable if we can have a common position and can be governed by the same principles. [end recording]

The Constitution Commission will continue work at the parliament session hall at 1700 on Monday, 26 June.

Shevardnadze Says Constitution in 'Final Stage'

*LD2506135495 Tbilisi Radio Tbilisi Network
in Georgian 1200 GMT 25 Jun 95*

[FBIS Translated Excerpt] The second Tbilisi forum of the Union of Citizens of Georgia was held at the philharmonic hall today. [passage omitted on participants honoring the memory of the director of Shevardnadze's Foundation]

Addressing the forum, Vakhtang Rcheulishvili, deputy speaker of the Georgian parliament, harshly criticized the Georgian Security Service and voiced no-confidence in the head of the Security Service and his deputy. He also said that he himself headed the process of setting up the Georgian Socialist Party, the ideas of which were congruent to those of the Union of Citizens of Georgia.

The results of the forum were summed up by President Eduard Shevardnadze. He said that by adopting a new constitution, Georgia would be able to face the world with its head held high and gain a great deal of friends. The preparation of the constitution is in its final stage. The constitution will be adopted, and presidential and parliament elections will be held as scheduled. A federal structure is the mechanism by which we shall regain Abkhazia and build a truly democratic state, Eduard Shevardnadze emphasized.

A resolution was adopted at the end of the forum.

Ioseliani: Constitution May Bring 'War'

*AU2306115195 Tbilisi SAKARTVELO in Georgian
14-21 Jun 95 p 2*

[Report by Jano Kartvelishvili: "Jaba Ioseliani: 'If the Elections Do Not Take Place, War Is Possible!'"]

[FBIS Translated Excerpt] **The "Archevnebi" [Elections] Society Supports a Small Constitution and Opposes Regional [samkhareo] Division**

On 10 June, the "Archevnebi" Society held its first conference in the large concert hall in the Philharmonic building [Tbilisi]. The founder of this society is Batoni [Georgian polite form of address] Jaba Ioseliani and, if we take into account his recent disagreement with Eduard Shevardnadze when "truth" became a closer friend for them both than "Plato," this forum promised to be most interesting. [passage omitted]

Naturally, the most interesting speech was that delivered by Batoni Jaba Ioseliani. He repeated once more that their aim was to clear a path to power for worthy people; that the "Archevnebi" Society was ready to cooperate with representatives of all political forces who express this wish; that the regional division was disastrous and the institution of [regional] plenipotentiaries contained dictatorial elements, and so forth. In reply to the remark that this institution was a temporary one, Batoni Jaba stated: Shevardnadze was also given temporary emergency powers. However, you just try taking these away from him now....

Here are several other significant extracts from Jaba Ioseliani's speech: No kind of "governors" are required to establish order. There is the Procurator's Office and the Ministry of Internal Affairs with its 70,000 employees. The Georgian Army does not constitute one-tenth of the latter and, if they want to establish order, no one hinders them.... The creation of regional structures is illegal. In addition, it means the use of force and, if things continue in this way, force will certainly be met by force as the people will not be able to tolerate this. The draft Constitution proposed by I will not say who and Head of State Shevardnadze, which legalizes the division of Georgia and dictatorship, is also absolutely unacceptable. I am not threatening anyone. However, I repeat once more that the people will not be able to tolerate dictatorship. If this draft is ratified, there may possibly be war....

Finally, a communique was adopted clearly determining the "Archevnebi" Society's position regarding the aforementioned issues. It was emphasized that, if lawlessness continues, full responsibility for the expected consequences will be placed on the authorities and the head of state personally....

In conclusion, one can boldly say that, following this conference, any talk about a "Shevardnadze-Ioseliani government" makes practically no sense at all. The confrontation between the head of state and the "former head of the head of state" is obvious. Jaba Ioseliani's position is continually drawing closer to the opposition's demands: For example, the idea of a "small constitution" was first put forward by the United Republican Party. In addition, almost the entire parliamentary opposition is against the postponement of the elections and Shevardnadze's draft Constitution. Shevardnadze is being given the chance to expose "Jaba and the opposition" as one group and also to pretend Ioseliani has not gone over to the opposition but members of the opposition have "tied" themselves to Ioseliani. The elector's perception of the political spectrum as two camps opposing only Shevardnadze and Ioseliani is highly advantageous for the head of state. However, completely different problems manifest themselves here: Shevardnadze's political support consists practically only of the "Greens turned red" or the Zhvania [leader of the Greens, secretary of the Union of Georgia's Citizens (UGC) "faction" in the UGC and the newly fledged Socialist Party under the chairmanship of [deputy Parliament Speaker] Rcheulishvili. The institution of plenipotentiaries does not enjoy great popularity at the moment (people in the regions generally find it difficult to accept anything new). True, Shevardnadze will have the "anti-Mkhedrioni" [Ioseliani is the founder of the Mkhedrioni paramilitary formation, which was recently disarmed] police on his side, but, to this day, Jaba Ioseliani is on good terms with [Security Service Chief] Igor Giorgadze, and it is still not known what position the latter will adopt. In addition, prominent UGC members Gia Zhorzholiani and Ada Marshania are "noted" to have clear sympathies toward Ioseliani while the "Philharmonic lions" led by Rezo Amashukeli are strongly allergic to the "Greens." Recently, Panteleimon Giorgadze, leader of the United Communist Party, who is backed by an entire army of Stalinist electors suffering from nostalgia for the "good old days," has also been extolling Ioseliani, not to mention those very influential businessmen who have established their place in the businessmen's hierarchy precisely with Ioseliani's support.

In these conditions, Shevardnadze's "moral supremacy" possibly does not mean a lot. In the final analysis,

one also has to take into account the Russian factor. In spite of a whole number of concessions that bear a strategic character, Russia's "appetite" has not yet been satisfied, and it is very much to its advantage to see a destabilization of the situation in Georgia, if only to wreck the "Georgian variant" of the Caspian Sea oil pipeline [project]. For his part, the head of state has no way of turning back: One more tactical compromise with Ioseliani will be tantamount to his being discredited and, in this way, he will also lose his image as someone fighting to establish order along with that "moral supremacy" that he has today. However, Eduard Shevardnadze takes to political intrigue like a fish to water, and it is not ruled out that he will adopt some unexpected extraordinary measures. So, the main events are still to come.

Shevardnadze Criticizes Security Service

*LD2306165895 Tbilisi SAKINFORM in Russian
1202 GMT 23 Jun 95*

[FBIS Translated Text] [No dateline as received] Speaking at the meeting of the parliamentary majority [on 22 June] about terrorist acts, which have become frequent in Georgia again, Georgian Head of State Eduard Shevardnadze aired grievances against the Georgian Security Service.

"No state is in need of an inactive security service," he said. Unlike the Interior Ministry, which operates actively and has carried out several effective large-scale operations, the Georgian Security Service has not done anything similar lately, Eduard Shevardnadze emphasized.

The head of state expressed confidence that the leadership of the Security Service would take into account the criticism and stir up its activities. This should be displayed, in particular, by revealing and arresting those who gave an order and those who carried out the terrorist act which resulted in the killing of the country's outstanding political and public figure, Soliko Khabeishvili [managing director of Shevardnadze's Fund, former Communist Party secretary killed in Tbilisi on 20 June].

The Georgian Security Service is investigating the case.

Estonia

Meri Addresses Victory Day Celebrations

LD2306160195 Tallinn Radio Tallinn Network
in Estonian 1100 GMT 23 Jun 95

[FBIS Translated Excerpt] Today is Victory Day in Estonia, the anniversary of the battle of Vonnu. The official center for the Victory Day celebrations this year is Parnu, with President of the Republic Lennart Meri attending, as well as Riigikogu Speaker Toomas Savi, government and Riigikogu members, and representatives of the diplomatic corps. [passage omitted]

The president made a speech at the ceremony addressing his nation and guests. He congratulated everybody on Victory Day and spoke about its importance for Estonia.

[Begin Meri recording] [Passage omitted] What does Victory Day mean to Estonia? [passage omitted on history] Our going French President Francois Mitterand, a great European and a great admirer of Estonian freedom fighting, said in his Victory Day speech something like this: Europe has demonstrated that it has succeeded in winning itself. His successor, Jacques Chirac, wrote in a letter, which arrived at Kadriorg [Estonian presidential residence] on 22 June, that he would continue and strengthen cooperation with Estonia. The most convincing proof of this is the recent signature of Prime Minister Tiit Vahi on the European agreement and your president's meeting with Jacques Chirac in Cannes in a few days' time, at the European Union and the aspiring countries' summit.

This forms a framework for this year's Victory Day in Estonia. At no time previously in the course of Estonia's 500-year history, have Estonia and Western Europe communicated in such a variety of ways and so vigorously, and felt most powerfully how closely our roots are intertwined. [passage omitted]

The time of major colonial powers ended with World War I. The Russian Romanov dynasty evaporated and provided dozens of slave nations with an opportunity. This right was dreamed of by many, probably also Russians. However, differently from Estonians, Finns, Latvians, Lithuanians, or our friends the Poles, they relinquished this historic right to a handful of terrorists, the Bolsheviks, the German Nazis' twin brothers, who brought to this world enormous suffering. Estonians, on the other hand, succeeded in what the majority failed to do. The Estonians defended their right of self-determination with arms in their hands, and thus became an active agent in the creation of conditions for a democratic Europe. Those conditions, alas, were betrayed. The Estonians have learned the price of betrayal in blood, and consequently, the value of principles, or this simple truth: One cannot trade in principles. This truth

has unfortunately always been in short supply. We have enough of it to export to Europe. With this truth we enter Europe. [passage omitted] [end recording]

Meri on German, Russian War Compensation

LD2406072495

[FBIS Editorial Report] Tallinn Radio Tallinn Network in Estonian on 1700 GMT on 23 June carries a five-minute report on the wreath-laying ceremony to the German dead in Parnu as part of the Victory Day commemorations in Estonia. President Lennart Meri, in a speech, notes that Germany has agreed to pay Estonia 16 million kroons in compensation. He adds: "I also took advantage of the pleasant opportunity that the German ambassador Wistinghausen was in Parnu on this Victory Day today, and shook his hand in recognition of the fact that the Federal Republic of Germany, which is not at all the legal successor to Hitler's Germany, has felt a moral obligation to compensate for the war crimes caused to Estonia by Hitler's totalitarianism. I am waiting impatiently for Russia to find sufficient moral resolve to compensate for the suffering caused to the Estonian people by Bolshevik totalitarianism."

Defense Options for Baltics Viewed

954K0614A Stockholm DAGENS NYHETER
in Swedish 3 Jun 95 p 10

[Article by Mert Kubu: "NATO Is the Baltics' Hope"]

[FBIS Translated Text] Riga/Tallinn—An army totalling 70,000 men at best, mainly armed with hand-held weapons, is what the three Baltic states could muster if Russia should attack. But more than half of them are members of the Home Guard who have a rifle at home in the kitchen closet.

Some tanks, grenade launchers, a couple of minesweepers, lightly armed patrol boats, and a few helicopters—that is about all the military technology they have.

Russian troops can be flown in by helicopter to the Baltic capitals, Tallinn, Riga, and Vilnius, in less than 40 minutes. There is easy access to the capitals of Estonia and Latvia from the sea.

The main attack against the Baltic states would probably come from Kaliningrad in the south and from Russian elite forces stationed just on the other side of the Estonian-Russian border.

But such a Russian military operation would still require bringing in a force of close to 250,000 men, Western experts believe. The rule of thumb is that an attacker must have at least three times as many soldiers as the defenders.

Guerrilla War

In addition, they would risk a lengthy guerrilla war. The Baltic forces, especially the Home Guard men, would hide in the deep forests and attack the enemy from the rear.

"It is like a swarm of bees that continually sting where one least expects it," as Swedish military experts describe it.

A Baltic Chechnya? Is that possible?

Yes, the man on the street says uneasily. But not just now. Moscow has an abundance of internal problems. But probably tomorrow or the next day. Therefore, politicians in Riga and Tallinn explain that they must build up a strong defense.

The political goal for the Baltic states is to quickly become full members of the European Union (EU); the Baltics will become associated members already this year.

The next step is full membership in NATO. That will be considerably harder. Denmark has promised its support. U.S. Vice President Al Gore spoke favorably in general terms, but did not commit himself to anything during his visit to Tallinn in March. For the time being the Balts must be content with the Partnership for Peace (PFP).

First in Line

Among other things, a free and democratic Baltic region is the best and cheapest defense for Sweden. "In a crisis, we will be hit first, so why can't Sweden help us with weapons?" some Balts ask in exasperation.

What ambitions do Estonia, Latvia, and Lithuania have with regard to defending themselves?

"Fate has placed us on the geographic threshold between Europe and Asia. Historically we have been free for periods of 20 years at most. Let us hope that we will now be able to live in peace for a long time," said Oskar Griggs, a member of the Latvian parliament's defense committee, who continued: "We must learn from our historical mistakes and make sure that the world around us understands that we are prepared to defend ourselves."

Among the Baltic countries, Latvia has come the farthest with regard to a well-thought-out defense ideology.

A Defense Ministry commission that included representatives from the political parties has drawn up a security and defense concept that is expected to be approved in the fall just after the regular parliamentary election is held. The Estonians are working on a similar draft.

One of the brains behind the Latvian plan is a young woman, Iveta Geidane, a security expert with the Defense Ministry, a political scientist educated in Iceland, among other places. "Naturally we are enormously interested in becoming full members of NATO. We cannot manage very long on our own in a crisis situation," she said.

Defense Is Expensive

The proposed Latvian defense plan begins with these fateful words: "We Latvians cannot survive another occupation that lasts 50 years. It would kill us as a nation." In other words, Latvia must build up a defense that will require big expenditures and sacrifices. "But we have no other choice," Geidane explained.

Today Latvia has a regular army of 7,000 men at its disposal. In addition, there are 17,000 members of the Home Guard. The defense plan proposes building up a professional mobile battalion of 1,000 to 2,000 well-trained professional soldiers. They could be brought in to deal with conflicts anywhere in Latvia.

The Latvian defense staff is led by officers trained in the West, former NATO officers from the United States and England, plus officers from the former Soviet Red Army.

"Those from the Red Army have often had good military training. But we do not know how loyal all of them would be in a crisis. Our Home Guard men are the most loyal to the nation," said Geidane.

Control in the Air

All three Baltic states are now sending young officers to Scandinavia, the United States, Germany, Great Britain, and France for training.

The Latvian defense plan clearly states that "a threat to one Baltic state is a threat to the entire Baltic region."

An important task for the Baltic states is to gain control of their air space. Work is being done on this with assistance from the West, including Sweden.

Western diplomats regard the joint emphasis on Baltbat [Baltic battalion], a Baltic peacekeeping battalion in the UN service, as a brilliant move. Training occurs through joint exercises. One contingent from Estonia and one from Lithuania are in the former Yugoslavia at present. The Estonian detachment is serving together with Danes. Some 30 Estonians were on a brief home leave when the new conflicts flared up, but returned during the last few days.

The point of Baltbat is partly to give future officers international training and partly to remind the world

that the Baltic region exists and intends to defend its freedom.

"The time factor is especially important in a crisis. Help from outside must be organized quickly. Ideally we should have a defense force of our own that can hold out for a month," Geidane said.

"During that time we will need help with economic and political pressure. Preferably, we would also like military support, even if this is not very likely in the current situation. The initial disappointment was great here when, for example, the Swedish Government explained that it would not come to our aid militarily."

Helping the Press

The Latvian Government must have good relations with the outside world. The foreign press will get every assistance. They are aware of the importance of having CNN and other television teams from the West broadcast as quickly as possible.

Weapons? Old Soviet weapons must still be used. But the Baltic states will concentrate on arms from the West and will adapt to NATO standards, especially with respect to electronics and communications.

Light and effective weapons against airplanes, tanks, and small defensive missiles are needed.

But, the defense plan says, there are many other courses the enemy can choose besides military invasion. In a more short-term perspective, other methods are more likely:

- Economic weapons against the Baltic states. Gas and oil deliveries from Russia could be halted.

- Ethnic groups among the Russian-speaking inhabitants could be stirred up. They would start calling for help, make claims about "violations of human rights," and so forth.

- Criminal groups organized by the GRU [Russian Intelligence Directorate] could be dangerous and undermine democracy.

- The radar station in Skrunda will be a Russian base in Latvia for another four years.

- There are tens of thousands of retired former Soviet Army officers in the Baltic region.

One problem is noncitizens, especially in Latvia and Estonia. This must be resolved before they can possibly achieve NATO membership.

"Almost 40 percent of the young men in each age group in Estonia are not Estonian citizens and do not perform military service," Estonia's commander in chief

(OB), Major General Aleksander Einseln, a former U.S. colonel at the Pentagon, pointed out.

Compulsory Civilian Service

The situation is even worse in Latvia, where two out of three inhabitants in the capital, Riga, are Russian-speaking

"I would like to introduce a system of compulsory civilian service for noncitizens," Gen. Einseln explained.

But before they get that far it is time OB Einseln and his colleagues in Latvia and Lithuania persuaded their countries' own citizens to perform military service again. Thousands of young men do not come in for induction.

It is not known why there is so little willingness to defend the nation among young people. At first the experts believed it was left over from the Soviet era, when brutal bullying, murder, and suicide among conscripts in the Red Army were a reality.

Unfortunately, elements of bullying still occur, although officers have issued orders to stop it.

But the possibility of bullying is not the reason why so many avoid military service. Young people are more interested in doing other things, such as earning money.

Latvia

Premier, U.S. Official Sign Military Accord

LD2306174295 Moscow INTERFAX in English
1529 GMT 23 Jun 95

[From the "Presidential Bulletin" feature: No. 117 of 861]

[FBIS Transcribed Text] Latvian Prime Minister and Defense Minister Maris Gailis and Deputy U.S. Defense Minister in charge of politics [title as received] Walter Slocombe signed on Thursday a memorandum on military cooperation and mutual assistance.

Gailis told a news conference after the signing ceremony that the memorandum envisages regular meetings of working groups and defense experts of the two countries, their joint participation in international meetings devoted to defense policies and other measures.

The prime minister said that during the meeting with Slocombe the two sides reached understanding on U.S. aid to the Baltic states on creating a single system of control over the air space.

According to Gailis, Washington is prepared to supply small arms for the Baltic peace-keeping battalion, as

well as the equipment and vessels, for example, rescue boats.

Slocombe, for his part, noted that the Baltic peacekeeping battalion created late last year is "the correctly chosen instrument, which can help the Baltic states reach their goal — to join NATO."

Foreign Minister Assesses NATO Seminar

LD2306120195 Riga Radio Riga Network in Latvian
2000 22 Jun 95

[FBIS Translated Text] Latvian Foreign Minister Valdis Birkavs returned from Germany today where he attended a seminar in Dresden devoted to the development of NATO. All the NATO member states and the states that signed NATO's Partnership for Peace program were represented at the seminar. A representative from almost every country addressed the seminar, assessing cooperation with the North Atlantic Alliance and Latvian Foreign Minister Valdis Birkavs was no exception:

[Begin Birkavs recording] My speech was included in a report entitled Security of Northern Europe. The most important things that I talked about were security of the Nordic and Baltic states in the context of NATO's development and in practice also in the context of the development of the European Union.

I also had talks with German Defense Minister Volker Ruehe who will soon — at the end of August — visit Latvia and who stressed that it is precisely our progress toward the European Union that is one of significant guarantees of security of the Baltic region.

[Unidentified correspondent] What was the general view on the issues of NATO expansion? And also, what was the specific view expressed by the Russian representative?

[Birkavs] Russia was represented by Deputy Foreign Minister [Nikolay] Afanasyevskiy. And Russia's view was very firm: No! The general view on NATO expansion is that it has to happen. It has to happen in the interests of European and world security. There was also a very interesting opinion that ultimately all the organizations will be, so to say, congruous, or they will converge; that is, that the members of the European Union will be members of NATO and of the Western European Union. But that is a task for the next century. The road to NATO is not NATO enlargement and it is not NATO's expansion, and German Defense Minister Volker Ruehe stressed this particularly strongly. NATO is open and this NATO openness is precisely what to a certain extent softens — that there is no expansion toward the East, expansion against something — but there

is NATO openness, because NATO is, in fact, the only organization which guarantees its members full security including sending troops to help out.

In connection with NATO enlargement, very different alternatives were discussed at the forum. And in this connection it could also be said that our stand concerning strengthening the Baltic-Scandinavian line attracted attention, because the Scandinavian countries include three members of NATO and two non-NATO countries.

[Correspondent] In your opinion, why was this event held as if behind closed doors?

[Birkavs] There was nothing particularly secret there, but people participated in it who have extremely rich and significant information. Therefore, no news conference was held nor were there reporters although there were people who recorded all that was said and a book will be published on this seminar. However, it was not accessible to the public. But it should be said, you know, it is very interesting that the so-called NATO publicity was very widely discussed there, so that the public would be better informed and gain more understanding of what it means. [end recording]

New Rules on Role in UN Peacekeeping Detailed

WS2206141195 Tallinn BNS in English
1807 GMT 21 Jun 95

[FBIS Transcribed Text] Riga, Jun 21, BNS — The Latvian Army units for participation in UN peacekeeping operations will consist of volunteers, newly adopted government regulations say. The units will include active service and reserve officers, soldiers and persons having served at least half of their service term.

All maintenance expenses of the unit will be covered from the UN budget, the document says.

The regulations also provide for social guarantees to the military. The decision about participation of the unit in each concrete operation rests with the parliament.

Lithuania

Russian Military Aircraft Violate Airspace

WS2606090395 Tallinn BNS in English
1300 GMT 24 Jun 95

[FBIS Transcribed Text] Vilnius, Jun 24, BNS — Russian military aircraft have brutally violated Lithuania's airspace, while high-ranking US military officials are on a visit to Lithuania.

Two AN-12 aircraft entered Lithuania's airspace just before midnight Thursday and, unlicensed, flew over Lithuanian territory to Kaliningrad.

"We cannot tolerate such acts. If Russia continues to violate Lithuania's airspace this can touch upon Lithuania's good-will attitude toward Russian military transit," Albinas Januska, a secretary of the Lithuanian Foreign Ministry, has stated.

In an interview with BNS, Januska did not rule out the possibility that the incident could be related to the Friday visit of US Defence Undersecretary Walter B. Slocombe to Lithuania, as well as the visit of the American "USS Philippine Sea" warship at the harbor of Klaipeda.

"This shows how important Russia considers these visits to be," said Januska. "However, this is only a demonstration of disrespect, which shows that Russia is not even trying to create a self-image of a credible partner," he added.

Air traffic controllers in Minsk reported to the Lithuanian air navigational services at 11.20 p.m. Thursday that the planes took off from Ostrov, Belarus, heading towards Kaliningrad through Lithuania. Lithuanian air traffic controllers warned the crews of both aircraft through the Belarusian air navigation system that their flights over Lithuania were not licensed and were therefore illegal.

Presently, however, the captain of one of the planes got in touch with the traffic control board of the Vilnius airport and introduced his flight as civil. After the plane was not allowed to cross Lithuania, the captain of the crew stated he was carrying "cargo 200", i.e. coffins with body remains, had no fuel left and would therefore fly as directed by his own leaders. The commander of the Russian military aircraft also proposed to register the act of illegal border crossing by his plane and failed to further respond to the calls of Lithuanian air traffic controllers.

The other Russian aircraft who violated Lithuania's border at 00.12 a.m. behaved in a similar manner.

The Lithuanian Foreign Ministry has by now submitted several notes of protest to the Russian Embassy in Vilnius regarding numerous breaches of Lithuanian airspace regulations by Russian aircraft, but has failed to elicit a constructive response.

Ministry Protests Russian Violations

LD2606100895 Vilnius Radio Vilnius Network
in Lithuanian 0900 GMT 26 Jun 95

[FBIS Translated Excerpt] [Presenter Giedre Maksimaityte] Today the Ministry of Foreign Affairs submitted a new note of protest to the Russians regarding airspace violations.

The note demands that Russia should provide explanations about unauthorized flights of military aircraft over Lithuanian territory at the end of last week and warns that such incidents are having a negative influence on bilateral relations between Lithuania and Russia.

Before that, a note to this effect was submitted to the Russian Embassy in Vilnius on 23 June, but no answer has been received yet. This was only the second such note this year, although there were more airspace violations. More than 10 protests were submitted to Russia last year. [passage omitted]

Draft Regulations for Airspace Use Submitted

WS2606092495 Tallinn BNS in English
0836 GMT 24 Jun 95

[FBIS Transcribed Text] Vilnius, Jun 23, BNS — A working group of the Lithuanian government has drafted a set of regulations for the use of Lithuania's airspace and has sent them for assessment to the foreign embassies in Vilnius.

Comments from more than ten embassies are expected next week, Virgilijus Bulovas, head of the working group, told BNS. He said the positions of the foreign diplomats will be taken into account while amending the draft regulations and submitting them for final approval by the government.

The head of the working group expressed hope that the rules could be approved by July 15 and come into force as from September 1.

The draft regulations provide for equal treatment of aircraft of any country, however a special supplement was added before sending them to Russian representatives, according to Bulovas.

Taking into account Russia's specific air transit, the supplement fixes strict rules for the air routes that can be taken by Russian military aircraft. It also clarifies ways of avoiding violation of Lithuania's airspace and foresees sanctions in case of noncompliance. The supplement also states that for a certain period of time Russian pilots will still be allowed to use Russian language in conversations with Lithuanian air traffic controllers, although the general rules state strictly that only English must be used in this instance.

"If we are to avoid conflicts we must seek compromise. We know perfectly well that Russian pilots won't be able to speak English," Bulovas said.

Ambassador Bulovas says he is not afraid that Russia might reject the new rules for airspace use as it did last year with Lithuania's regulations for rail transit. "These regulations have been really drawn up for all countries,

not thinking about Russia exclusively, as was the case with those rules (for rail transit)," Bulovas told BNS.

The current order of applications and single licences issued by the foreign ministry for foreign military flights over Lithuania remain intact in the new draft regulations.

However, strategic bombers as well as aircraft carrying nuclear, chemical or other weapons of mass destruction on board are banned to enter Lithuanian airspace.

The new airspace regulations were drawn up by a governmental Working Group for the Creation of Airspace Control System that was set up June 14.

Travel Restrictions Eased With Russia

LD2606061495 Moscow ITAR-TASS in English
0427 GMT 26 Jun 95

[By Vldas Burbulis]

[FBIS Transcribed Text] VILNIUS, June 26 (ITAR-TASS) — Lithuania and Russia from today put into effect their temporary agreement simplifying trips by citizens in and out of these two countries, sources in the Lithuanian Foreign Ministry told ITAR-TASS.

From now on there will be no need for an invitation in order to obtain a visa for those who have vouchers to a recreation centre, a spa or any other health and recreation facility located in the territory of the other country.

Tourists will also find it easier to travel, particularly if they follow an itinerary provided by tourist organisations in Lithuania or Russia.

Another innovation concerns Lithuanian citizens permanently residing in Russia and Russian citizens permanently residing in Lithuania. They will be allowed to travel in and out of the two countries without a visa. Russian citizens bearing a certificate of the right to retain citizenship of the Lithuanian Republic and their family members listed in the certificate, as well as Russian citizens with private property in Lithuanian territory, such as an apartment, a house or a construction site may visit Lithuania without a visa at any time provided they have a document stating their right to private property in Lithuania.

Fuel Supplies Contract Signed With Venezuela

WS2606091595 Tallinn BNS in English
1300 GMT 24 Jun 95

[FBIS Transcribed Text] Vilnius, Jun 24, BNS — The director general of the Lithuanian State Energy System,

Vldas Sirutis, and the president of the Venezuelan company "Bitor Europe", Manuel De Oliveira, signed a contract in Vilnius Friday on the supply of orimulcion fuel to Lithuania.

According to the contract, the Venezuelan company will supply orimulcion to the Lithuanian energy system until 2012.

The fuel will be sold at a bargain price of \$34 per ton for the first three years of the contract. Lithuania expects to purchase about 80,000 tons of orimulcion during this period. Later, Lithuania will have to pay the price equal to that of coal at the Rotterdam Commodity Exchange [RCE]. At present coal is traded at the RCE at \$48 per ton.

This year Lithuania will import 25,000 tons of orimulcion; in the following two years this import is expected to stand at up to 60,000 tons and 150,000 tons a year in 1996 and 1997, respectively.

According to the contract, the Lithuanian energy system should be supplied with up to 250,000 tons of orimulcion between 1998 and 2000, and up to 550,000 tons in the period between 2000 and 2012. Payments for the fuel will be made upon delivery.

The agreement also foresees a possibility that Lithuania is free to withdraw from the contract in case the fuel turns out to be of poor quality or hazardous for the environment. No sanctions are provided for in this case.

Sirutis told journalists on Friday that the first shipment of orimulcion will reach the Lithuanian Klaipeda seaport not later than in a month and a half's time, and will start to be burnt at the Elektrenai Thermoelectric Power Plant in further one to two week.

Speaking at the same new conference, Oliveira said orimulcion is used by thermoelectric plants in such countries as Japan and Canada; in Denmark it is the fuel used by Scandinavia's biggest thermoelectric power station.

As compared with fuel oil used by Lithuania at present, the consumption of orimulcion is 1.46 times higher. This would make its total price, including transportation costs, \$78 per ton. Sirutis noted that at present a ton of fuel oil at the RCE costs \$92 and in winter it goes up to \$125-128 per ton.

Meanwhile, the daily consumption of fuel oil by Lithuanian power plants in winter stands at 6,000-9,000 tons.

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